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**General and complete disarmament: treaty banning the
production of fissile material for nuclear weapons or other
nuclear explosive devices**

Group of Governmental Experts to make recommendations on possible aspects that could contribute to but not negotiate a treaty banning the production of fissile material for nuclear weapons or other nuclear explosive devices

Note by the Secretary-General

The Secretary-General has the honour to transmit herewith the report of the Group of Governmental Experts to make recommendations on possible aspects that could contribute to but not negotiate a treaty banning the production of fissile material for nuclear weapons or other nuclear explosive devices. The Group was established pursuant to paragraph 3 of General Assembly resolution 67/53.

* A/70/50.



Summary

The present report of the Group of Governmental Experts, established on the basis of General Assembly resolution 67/53, outlines the details of the Group's deliberations, characterizes the range of expert views on aspects of a treaty — notably in relation to the dynamic correlation between a future treaty's scope, definition, verification requirements and associated legal obligations and institutional arrangements — and presents the Group's conclusions and recommendations.

The Group reaffirmed that a treaty banning the production of fissile material for nuclear weapons or other nuclear explosive devices should be legally binding, non-discriminatory, multilateral and internationally and effectively verifiable, and that document CD/1299, and the mandate contained therein, remains the most suitable basis on which future negotiations can commence without further delay in the Conference on Disarmament and, as noted in that report, allows negotiators to raise for consideration all aspects of a treaty, including its scope. The Group agreed that such a treaty could contribute practically to achieving a world without nuclear weapons, to non-proliferation in all its aspects and, more broadly, to enhancing global security.

Experts agreed that their report, and the deliberations which underpin it, can serve as a valuable reference for States and should be a useful resource for negotiators of a future treaty. It identifies areas of convergence and divergence on key treaty aspects, including where a spectrum of views may exist and where further technical and/or scientific work can be pursued that may assist negotiators.

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Foreword by the Secretary-General

The Group of Governmental Experts established by the General Assembly in its resolution 67/53, to make recommendations on possible aspects that could contribute to but not negotiate a treaty banning the production of fissile material for nuclear weapons or other nuclear explosive devices met in Geneva in four sessions of two weeks each, in 2014 and 2015.

The Group heard presentations from experts on a range of potential aspects of a future treaty and also considered the views conveyed to the Secretary-General in replies received from 17 States not members of the Group and from the European Union (see A/68/154 and Add.1). There was wide agreement that a future treaty should remain a priority of the international non-proliferation and disarmament community.

The report of the Group indicates a number of issues on which the views of most, if not all, of the experts were quite similar. There were also issues where several differing perspectives were shared and a few where positions diverged significantly.

By undertaking a fact-based and policy-neutral analysis of all aspects of a future treaty, the report of the Group constitutes an added value to the work of subsequent negotiators of a treaty.

The Group has identified the Conference on Disarmament as the venue of choice for future negotiations. Once again, I urge the Conference to adopt, without further delay, a balanced programme of work that would allow an early commencement of negotiations in light of the useful conclusions of the Group.

I take this opportunity to thank the Chair, Ambassador Elissa Golberg (Canada), and all the experts for their diligent work, which will be a useful resource for future negotiators.

Letter of transmittal

I have the honour to submit herewith the report of the Group of Governmental Experts tasked to make recommendations on possible aspects that could contribute to but not negotiate a treaty banning the production of fissile material for nuclear weapons or other nuclear explosive devices on the basis of document CD/1299 and the mandate contained therein. The Group, which the Secretary-General appointed pursuant to paragraph 3 of General Assembly resolution 67/53, comprised the following experts:

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The Group was ably assisted by staff of the United Nations Secretariat, led by Ivor Fung, and received valued expert technical advice and support from Mark Finaud and Pavel Podvig of the United Nations Institute for Disarmament Research (UNIDIR). The Group, which was unusually large to be inclusive and best account for equitable geographic representation, met in Geneva over eight-weeks during 2014 and 2015 under the auspices of the United Nations.

The Group was established to create a space where serious, substantive discussion on all possible elements of a treaty could occur, notably in the absence of negotiations having thus far commenced at the Conference on Disarmament, despite this being the overwhelming will of the States Members of the United Nations for the past 20 years. The Group succeeded in its task, conducting a robust, fact-based assessment, where no issue was off the table. The commitment to genuine dialogue apparent among its unique membership is a model for other multilateral nuclear non-proliferation and disarmament forums.

The Group's report aims to inform negotiators of a treaty, including by outlining considerable areas of convergence and on how they might address divergent perspectives. It also identifies issues where further technical/scientific work can be pursued or where ancillary confidence-building measures and/or evolutionary clauses could be developed that might assist negotiators. Ideally, the report will enjoy a wide readership and foster greater understanding of the key issues at play.

The continued value of this treaty, one that remains a logical counterpoint to the Comprehensive Nuclear-Test-Ban Treaty, has been amply demonstrated by the Group's work. We can only hope that the renewed interest and momentum generated by the work of the Group — which was evident not least in the briefings the Chair provided to the Conference on Disarmament and the General Assembly — will translate into action and the commencement of negotiations without further delay.

I have been asked by the Group to submit to you, on its behalf, the present report, which was adopted unanimously.

(Signed) Elissa Golberg
Chair of the Group

I. Introduction and background overview

1. Recognizing the essential role of fissile material in the manufacture of nuclear weapons or other nuclear explosive devices, the international community has long sought to negotiate a treaty that would ban its production for such purposes as a means to promote international nuclear disarmament and nuclear non-proliferation. In fact, the first references to the value and need for such a treaty date back more than 60 years, and since then this message has continued to be broadly and regularly reinforced. The need to ban the production of fissile material for nuclear weapons or other nuclear explosive devices was recognized, *inter alia*, by the General Assembly at its first special session devoted to disarmament (1978) and in numerous General Assembly resolutions, including resolution 48/75 L (1993), which called for a "non-discriminatory, multilateral and internationally and effectively verifiable treaty". The Conference on Disarmament agreed to this mandate in the report of its Special Coordinator of 24 March 1995 (CD/1299), which was subsequently reaffirmed in the decisions of the Conference to establish subsidiary bodies to negotiate such a treaty in 1998 and 2009. In 2000, States Parties to the Treaty on the Non-Proliferation of Nuclear Weapons called for the negotiation of such a treaty at the Conference on Disarmament, "taking into consideration both nuclear disarmament and nuclear non-proliferation objectives" as part of its 13 practical steps, a call that was renewed in action 15 of the 2010 action plan on nuclear disarmament adopted by the 2010 Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons.¹

2. In 2012, consistent with the goal of encouraging constructive forward momentum on the issue, and acknowledging that the Conference on Disarmament had yet to commence such negotiations, the General Assembly, in its resolution 67/53, requested the Secretary-General to establish a group of governmental experts mandated to make recommendations on possible aspects that could contribute to but not negotiate a treaty banning the production of fissile material for nuclear weapons or other nuclear explosive devices,² on the basis of document CD/1299 and the mandate contained therein. The Group of Experts met over four two-week sessions in Geneva during 2014 and 2015. Membership was comprised of experts from 25 States chosen on the basis of equitable geographic representation.

3. In accordance with General Assembly resolution 67/53, the Group operated on the basis of consensus and during its work, reflected on the report of the Secretary-General containing the views of Member States on this subject (A/68/154). The Group took into account past consideration of such a treaty, and also requested and received informal briefings from representatives of the International Atomic Energy Agency (IAEA), the Organization for the Prohibition of Chemical Weapons and the Provisional Technical Secretariat of the Comprehensive Nuclear-Test-Ban Treaty Organization. A high degree of granularity and nuance was pursued by the Group, and emphasis was placed on the substantive legal and technical implications of different aspects of a treaty, while bearing in mind the wider context in which such an instrument would exist. The present report, which should be considered in its

¹ See 2010 Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons, Final Document, vols. I-III (NPT/CONF.2010/50 (Vols. I-III)); (Vol. I), Part I, sect. E.

² Referred here after variously as "the treaty" or "a treaty" for the sake of simplicity and without prejudice to the treaty's final form.

totality, therefore outlines the details of the Group's discussions, characterizes the range of expert views and presents the Group's conclusions and recommendations. Experts believe that their reflections can serve as useful "sign posts" for future negotiators of a treaty, without prejudice to national positions.

II. Treaty objectives

4. The Group highlighted the importance of identifying a clear object and purpose for the treaty, which would help guide negotiators in determining its scope, relevant definitions, verification requirements and associated legal obligations.

5. There was consensus that a treaty should establish a legally binding, non-discriminatory, multilateral and internationally and effectively verifiable ban on the production of fissile material for nuclear weapons or other nuclear explosive devices. Many³ experts suggested that a ban, along with the verification provisions of the treaty, could contribute to nuclear non-proliferation and nuclear disarmament efforts, and lay a practical foundation for additional disarmament efforts.

6. Some experts argued that in addition to a ban on new production, a treaty should also seek to prevent any increase in the amount of fissile material assigned for use in nuclear weapons or other nuclear explosive devices. These experts also felt a non-increase could be achieved by including provisions prohibiting diversion, transfers and acquisition for proscribed purposes and, separately, by ensuring the irreversibility of current and future disarmament efforts. Other experts noted the complementary role of existing legal obligations in limiting such activities and thus argued explicit prohibitions were unnecessary as these concerns would be addressed by the treaty verification regime. Some argued the concept of non-increase would only be supported in a treaty that addresses pre-existing fissile material through the establishment of a baseline to assess diversion, and for some, as a benchmark for future reductions. Some experts suggested the concept of non-increase lacked clarity and could be difficult to reflect in a treaty, or only apply to future production.

7. For some experts, the treaty should, furthermore, also address past production of fissile material as defined in the treaty itself, in order to seek to reduce and/or eliminate pre-existing fissile material accessible for additional nuclear weapons or other nuclear explosive devices. In their view, absent such measures, a treaty would neither effectively and irreversibly advance nuclear disarmament nor provide adequate incentives to join the treaty. Other experts argued that such objectives did not correspond to their understanding of the mandates contained in General Assembly resolution 48/75L and in document CD/1299, and could result in a treaty that would not achieve sufficient support or be effectively verifiable. They said that only future production of fissile material should be subject to the treaty. Some argued that past production is better addressed separately through voluntary measures and/or in the context of future disarmament negotiations.

³ In order to ensure equitable geographic representation and diversity of views, the General Assembly, by its resolution 67/53, established an unusually large Group, which met for an extended duration. For this reason, combined with its desire to accurately convey the degree of granularity that characterized its discussions, the Group adopted an approach of reflecting the views of its members (i.e. "most", "many", "some", "few"), which was not intended to be precedent-setting nor does it prejudice the consensus mandate that the Assembly conferred on the Group's work.

8. When identifying the treaty's object and purpose, the Group noted that future negotiators would need to consider the interface with broader nuclear non-proliferation and nuclear disarmament efforts, which, for some experts, included consistency with existing legal obligations and instruments. Many experts stressed in this regard that a treaty should contribute to the implementation of the Treaty on the Non-Proliferation of Nuclear Weapons, including its article VI. For some experts, such a treaty should be seen as a transitional step, which would lead to eventual negotiation of a nuclear weapons convention. Others emphasized that it formed one part of a framework of interlocking measures to achieve nuclear disarmament. A few experts felt that a treaty should be seen in the context of efforts to promote international stability and should be based on the principle of increased and undiminished security for all. A few experts noted that, in view of existing moratoriums introduced by some major producers of fissile material and wide adherence to the Treaty on the Non-Proliferation of Nuclear Weapons, many benefits foreseen when such a treaty was proposed had already been achieved. Some experts thought that these latter benefits referred only to non-proliferation. Some experts believed a narrower approach to developing treaty objectives should be taken, focused on non-proliferation in all its aspects, consistent with General Assembly resolution 48/75L, and stressed the importance of a stand-alone instrument that includes a verifiable ban on the production of fissile material for nuclear weapons and other nuclear explosive devices.

III. General characteristics and basic principles of a treaty

9. The Group reaffirmed that document CD/1299 and the mandate contained therein remain the most suitable basis on which future negotiations should proceed at the Conference on Disarmament and, as noted in the Shannon report, would allow negotiators to raise for consideration all aspects of a treaty, including its scope.

10. Experts agreed that an internationally and effectively verifiable treaty is one that can provide credible assurance that all States parties are complying with their treaty obligations. Moreover, a treaty should observe the principle of non-discrimination, including through its provisions on scope, definitions and verification. Experts agreed that a treaty would be non-discriminatory if its obligations were applied equally to all States parties. Most experts recognized that the means (e.g. tools and techniques) by which these obligations are verified may vary according to the facilities located in any State party, including to account for sensitive information, but that to achieve a credible treaty such verification was necessary. Some experts believed that the non-discrimination principle should also aim to rectify perceived inequities under the Treaty on the Non-Proliferation of Nuclear Weapons with regard to safeguards obligations. Others either did not agree that such inequities exist or suggested that a treaty that sought to remedy elements present in other existing treaties and regimes would necessarily be discriminatory.

11. There was strong support for advancing the principle of irreversibility in a treaty (i.e. a one-way street), whereby steps taken to place treaty obligated fissile material and facilities that might be used to produce it under international verification cannot be reversed for the purposes of the treaty (subject to agreed termination criteria, such as irradiation of fissile material or decommissioning of a facility). Some experts also argued that irreversibility should apply to disarmament measures.

12. Many experts also saw value in the treaty's potential role in increasing transparency and confidence between States. Moreover, many experts felt that verification methods, tools and techniques developed and applied by the treaty could contribute to a broader disarmament verification methodology, as the obligations would be applied equally to all States parties, including those with currently unsafeguarded nuclear facilities.

IV. Consideration of possible treaty aspects and their dynamic interrelationships

13. Scope, definitions and verification are the main aspects of a treaty and, among them, dynamic interrelationships exist. The Group felt strongly that future negotiators would need to appreciate how a change in any one aspect affects the others. In addition to these treaty aspects, experts recognized the role that legal and institutional issues would play in effectively and efficiently achieving desired treaty objectives, including the extent to which they could contribute to the entry into force and universalization of the treaty.

A. Treaty scope

14. The Group agreed that the scope of a treaty should support its objectives and adhere to its basic principles. As described in section II above, it was clear a divergence of views existed along a spectrum on whether, and to what extent, a treaty deals with fissile material produced prior to the its entry into force.

15. Experts agreed that the treaty's scope must set out the legal obligations that States parties will be required to fulfil, and that these obligations should be formulated in terms of prohibited as opposed to permitted activities. The Group agreed that a treaty must prohibit the production of fissile material for nuclear weapons or other nuclear explosive devices. This would be the treaty's underlying obligation, applying consistently to all States parties in a non-discriminatory manner.

16. Furthermore, there was widespread agreement that the potential diversion of fissile material from non-proscribed uses, such as naval propulsion, posed a threat to the object and purpose of the treaty and the legal obligations noted in paragraph 15 above. Experts discussed different approaches to this issue, namely the inclusion of an explicit prohibition against the diversion of material, or dealing with it directly in the treaty's verification regime.

17. Many experts argued that a treaty's scope should contain additional relevant obligations. These could include an undertaking not to carry out all types of transfers of fissile material for nuclear weapons or other nuclear explosive devices. Similarly, the treaty could include a specific prohibition on the acquisition of fissile material and/or technology to produce fissile material for proscribed purposes, and from providing technical or other knowledge to assist other States in the production of material for these purposes. Some experts, however, felt such additional prohibitions on future production were unnecessary as they would be covered in an effective verification regime.

18. To assist with its deliberations on scope, the Group examined various functional categories of fissile material and the verification implications for each, which could include, inter alia, national security, commercial proprietary and resource requirements for verification. The functional categories considered may serve as a useful reference for future negotiators to determine if, and to what extent, each could be included in a treaty. A few experts expressed reservations about the typology, signalling that it was premature given the divergent views on this issue. For all functional categories of fissile material examined below, experts recalled that both the scope of the treaty and its verification regime would be linked to the definition of fissile material decided upon by the negotiators.

Fissile material produced after the entry into force of the treaty

19. Two categories of fissile material produced after entry into force were considered: material produced for civilian use and material produced for non-proscribed military use.

20. **Civilian use:** A treaty should not prohibit the production of fissile material for civilian use consistent with the obligations of State parties nor interfere in any other way with a State's right to peaceful uses of nuclear energy. Many experts agreed that the fissile material for civilian use and its production should be subject to verification under the treaty so as to deter and detect its diversion for proscribed use.

21. **Non-proscribed military use:** A treaty should not prohibit the production of fissile material for non-proscribed military purposes. This material would, however, be subject to the treaty and States parties would require credible assurance that such material is not diverted to proscribed use. Experts pointed to specific verification challenges, and the need to develop effective solutions to verify non-diversion given the sensitive nature of this material and the relevant activity itself. Some experts believed that this issue would benefit from further scientific and technical study.

Fissile material produced prior to the entry into force of the treaty

22. Experts also examined different categories of material produced prior to the entry into force of the treaty. Many experts argued that given the sizeable amounts of fissile material already possessed by some States, a ban on new production would be insufficient to achieve the objectives of the treaty, and that past production should be addressed in some manner within the treaty's scope in order to prevent diversion to proscribed use and that it should have a greater disarmament effect in practice. As is described below, these experts fell along a spectrum with regard to the extent to which past production would be addressed. Among those who supported a treaty containing provisions on past production, there was acknowledgement that its verification may need to be managed differently than future production, and most recognized that it may not be viable to insist that all elements of past production be included in the treaty. Some experts proposed that reductions in existing fissile material stockpiles be addressed through parallel arrangements, additional protocols or voluntary measures that States could pursue during or subsequent to treaty negotiations (including within a set time frame). The usefulness of such separate initiatives was, however, questioned by some experts on the basis that they may not be verifiable. Some experts noted that their understanding of General Assembly resolution 48/75 L and document CD/1299 precluded the inclusion of past production in a treaty's scope. For this reason, these

experts did not feel that the detailed review held by the Group of different categories of material produced prior to entry into force was necessary. Others believed the treaty should ban only future production, but allowed that document CD/1299 left the issue of past production to negotiators. They felt that the inclusion of past production could result in a treaty that would not achieve sufficient support, nor be effectively verifiable.

23. Some experts argued that all pre-existing fissile material, with the exception of that produced for nuclear weapons, would need to be declared and be subject to some form of verification. There was considerable debate over whether States with currently unsafeguarded facilities could accurately declare past production and whether it could be verified. Some experts highlighted the practical and technical challenges with accounting post facto for historical production spanning many decades and stressed that it may not be possible for them to provide a fully accurate accounting. These experts argued that declarations of past production, when coupled with an inability to verify them, could lead to misunderstandings and the potential for unsubstantiated allegations of non-compliance under the treaty. Other experts, however, stated that, notwithstanding these challenges, a commitment to make declarations would serve as an important trust and confidence-building measure among State parties. Some experts said that declarations and transparency on past production of fissile material would help establish a baseline to assess non-diversion and for future disarmament efforts, even if it was not possible to verify their completeness and correctness.

24. **Produced for nuclear weapons:** Without prejudice to existing nuclear disarmament obligations under other instruments, for some experts, all or part of material produced for nuclear weapons, except that in the weapons themselves, would fall within the scope of the treaty and should be covered by treaty provisions. A few experts argued that the material in the weapons themselves should be declared though not verified. Other experts stated that it was impossible to distinguish material in weapons from other material in classified form and that this, coupled with non-proliferation and security commitments, precluded effective verification and thus such material should not be subject to the treaty. A few experts suggested that all past production fell outside treaty scope.

25. **Excess to nuclear weapons requirements:** Some experts argued that, on a voluntary basis, a State party under the treaty could designate fissile material that had been produced for weapons purposes prior to entry into force as having been transferred to the civilian or non-proscribed military domain. Many experts referred to this as "excess material". Many experts argued that once such material was designated for either civilian or non-proscribed uses, a State should make such a declaration and the material would irreversibly be made subject to appropriate treaty verification. For some experts this would form the starting point of an inventory to which further material could be added. However, other experts pointed to potential verification challenges that could emerge as material declared excess can remain in sensitive form for some time. A few experts said that placing treaty obligations on excess material could serve as a disincentive for States to make such voluntary declarations and could be circumvented as such material would simply not be so designated. A few experts objected to the concept of excess material itself. Some suggested it should be omitted from the scope. Others indicated it may inadvertently confer legitimacy to continued acquisition and production of nuclear weapons, contrary to nuclear disarmament commitments undertaken by some States.

26. **Non-proscribed military use:** Taking into account the verification challenges posed by fissile material for non-proscribed military purposes outlined in paragraph 21 above, some experts argued that all fissile material produced for non-proscribed purposes prior to the entry into force of the treaty should be declared and technical or other means developed to verify non-diversion. Other experts suggested such material is beyond the scope of the treaty.

27. **Civilian use:** Many experts argued that a treaty should address the risk that pre-existing stocks of fissile material for civilian use could be diverted for proscribed purposes. Those experts considered that such material should be subject to verification under the treaty. The viability of this proposition was, however, questioned by those who said this material should not be subject to the treaty.

B. Treaty definitions

28. Experts agreed that a treaty should define, inter alia, fissile material, fissile material production and fissile material production facilities. Definitions should be practical, scientifically and technically accurate and tailored to the specific objectives of the treaty. In other words, treaty definitions would need to be crafted in a manner that clarifies the obligations of a treaty while allowing for viable implementation and verification. The Group recalled that, in view of their dynamic interrelationship, final definitions would have an impact on treaty scope and the verification regime, with key elements of the latter requiring precise definitions to preclude variances in interpretation or in the implementation of obligations.

29. **Fissile material:** The Group considered four possible definitions for fissile material, but did not exclude the possibility of others. They considered the advantages and drawbacks of these options, the common thread among which was that highly enriched uranium and separated plutonium are the materials that should be at the heart of this definition, given their weapons applicability. Thus, the Group considered definitions based on:

(a) The IAEA safeguards concept of special fissionable material, as outlined in article XX of its statute, focusing on plutonium-239, uranium-233, uranium enriched in the isotopes 235 or 233 and mixtures containing one or more of the foregoing;

(b) The IAEA safeguards concept of unirradiated direct use material, focusing on plutonium containing less than 80 per cent Pu-238, and highly enriched uranium (containing 20 per cent or more of the isotope uranium-235 and/or uranium-233);

(c) A treaty-specific definition of weapons grade material containing 90 per cent or more of uranium-235 or uranium-233 or plutonium containing more than 95 per cent of plutonium-239;

(d) A specific isotopic composition, to be determined during negotiations based on the scope and verification requirements of the treaty.

30. Some experts favoured the definition in article XX of the IAEA statute and argued that it was already entrenched and widely understood by States through implementation of comprehensive safeguards agreements. For them, this definition would ensure treaty credibility by providing a fuller picture of a State's nuclear

activities and thus allow for maximum assurance of compliance. However, other experts argued the definition was too broad; would require extensive and complex verification, including of material that could not be directly used in nuclear weapons or other nuclear explosive devices; and would generate significant verification costs. Proponents of this definition responded that not all material captured by this definition would necessarily require the same level of verification.

31. Some experts preferred the unirradiated direct use material definition on the basis that it best accounts for those materials suited for use in nuclear weapons, and was therefore effectively positioned to meet treaty objectives. They also highlighted that this definition was based on a term used in IAEA safeguards and already understood by States. For other experts, this definition was either overly or insufficiently broad in covering the nuclear fuel cycle and use of nuclear material, thereby either decreasing the effectiveness of verification or increasing the verification burden, depending on the perspective. Some proponents of this definition recognized a potential need for limited verification or transparency measures for some material not covered by the definition.

32. A few experts advocated in favour of a treaty-specific definition of weapons grade material. They argued such a definition addressed material currently applicable to nuclear weapons and thus was practical, fit for the purpose of the treaty and could ensure cost-efficient verification without undermining treaty efficacy. In their view, no State with modern nuclear arsenals would use material of inappropriate quality to produce weapons, and the non-diversion of nuclear material in States that are not parties to the Treaty on the Non-Proliferation of Nuclear Weapons is already under IAEA verification. However, many experts believed this definition would lack credibility as it would not cover all material that has been or could be used in nuclear weapons or other nuclear explosive devices, and would leave open the possibility of evading the basic object and purpose of the treaty by producing weapons-usable material of slightly lower grade.

33. Finally, a few experts argued that a specific definition based on an isotopic composition would achieve the objective of banning the production of fissile material for nuclear weapons while avoiding unnecessary complications regarding legitimate uses of highly enriched uranium and plutonium. Agreement during negotiation would be needed on the exact isotopic concentration that proponents indicated would be close to that used in nuclear weapons and based on the scope and verification requirements of the treaty at the time of negotiation. In addition to technical factors, these experts felt the definition of fissile material should also take into account political, legal and scientific dimensions. However, many experts emphasized that this definition lacked precision, and suggested that defining a threshold close to the isotopic composition used in nuclear weapons could increase the risk that not all material usable in nuclear weapons would be covered. Such a definition might, in their view, undermine the long-accepted IAEA term for direct use material.

34. The Group agreed that each definition proposed would, to some extent, imply different types of verification tools, requiring different facilities or parts thereof to be declared, and have different implications for the intrusiveness and for cost-efficiency that States are prepared to accept with regard to a verification regime.

35. The Group explored the merits of including neptunium and americium in an eventual treaty definition of fissile material. While it was recognized that neither

neptunium nor americium are currently used in nuclear weapons, some experts expressed concern that omitting these materials might create an incentive for their use in the design of new weapons. Many experts felt that the inclusion of neptunium could be considered by negotiators, or a future treaty body, should developments warrant, noting that IAEA continues to monitor this issue, including through a voluntary reporting mechanism. With regard to the inclusion of americium, some experts argued it should be given the same consideration as neptunium, while others felt it should be omitted at this time, given its limited applicability to the production of nuclear weapons.

36. Most experts agreed that tritium, as it is not by definition a fissile material, should be excluded from the treaty. A few argued it remains an important component in many nuclear weapons and should therefore be considered for inclusion.

37. Many experts recognized the need for certain treaty definitions to be sufficiently flexible to account for future scientific and technical developments and saw value in an expedited technical amendment process that would allow States parties to review and revise definitions. However, some experts did not believe that the field would evolve quickly enough to merit special procedures for rapid updates. Some experts suggested the harmonization of a treaty's definitions with those of other existing international forums be considered, noting that the definition of fissile material chosen by negotiators could have implications not only for this treaty but also existing verification procedures under IAEA and potentially elsewhere.

38. **Fissile material production:** The Group recognized that a treaty would not ban the production of fissile material per se, but rather proscribe its production for use in nuclear weapons or other nuclear explosive devices. Many experts agreed on enrichment and reprocessing as the key production activities for the purposes of the treaty, and these would be the only activities defined as production. Some experts stated that the definition of fissile material production should be located earlier in the fuel cycle. Some experts took the view that a broader definition of fissile material production was needed encompassing other nuclear fuel cycle activities, including upstream of enrichment and reprocessing facilities, in part to achieve non-discrimination in the treaty.

39. **Fissile material production facilities:** This definition would depend on that selected by negotiators for fissile material production. Most experts agreed that enrichment and reprocessing facilities should be at its heart, with advocates of a narrower definition of production arguing that no other facilities need be included. Those favouring a broader definition, however, argued that facilities upstream of enrichment and reprocessing facilities (although not uranium mining and milling) should be included in the definition of production facilities. Those favouring a narrower definition raised concerns about the practicality and cost-efficiency of such an approach, which, in their view, would have only marginal value in demonstrating compliance by States parties with treaty obligations. Other experts countered that, depending on the options chosen, not every facility defined as a fissile material production facility, nor all the activities occurring in it, would need to be verified with the same frequency or intensity.

40. Some experts believed it might be necessary to define a fissile material-related facility as any facility handling fissile material, including storage or processing facilities (other than enrichment or reprocessing facilities); such facilities would necessarily be declared and monitored under the verification regime. Other experts

observed that verification would follow the fissile material produced and that the facilities in which it was present need not be defined.

41. Some experts advocated a definition that would distinguish between industrial-scale and laboratory-scale facilities. Others said a treaty's definitions should capture all production facilities, irrespective of scale, to avoid a verification gap (i.e. through the cumulative production of small amounts of material at multiple facilities). Future negotiators would need to explore the benefits and drawbacks of either approach, notably the benefit to an efficient verification regime of defining a *de minimis* production capacity at which production facilities would become subject to verification, versus the risk of potential clandestine production of small quantities of fissile material.

42. The Group examined issues related to the operational status of facilities, including operating closed-down, shut-down, decommissioned and dismantled facilities. Experts diverged on whether the terms relating to facility status should be incorporated into the definition of fissile material production facilities, or whether they were better addressed through a treaty's verification regime or transparency measures outside the treaty. Some experts thought that a treaty should also define fissile material diversion, transfer and acquisition. For others, since the verification regime would deter and detect such activities, the terms need not be expressly defined in the treaty.

C. Treaty verification

43. The Group reaffirmed that a treaty banning the production of fissile material for nuclear weapons or other nuclear explosive devices must, in accordance with document CD/1299, be non-discriminatory, multilateral and internationally and effectively verifiable. To experts, this meant the treaty would deter and detect non-compliance in a timely manner, provide credible assurance that States parties are complying with their treaty obligations and guard against frivolous and/or abusive allegations of non-compliance. Declared production and, for some experts, downstream and/or upstream facilities would be the focus of verification so as to ensure that diversion of fissile material to a prohibited activity is detected and deterred. Some experts noted that verifying the correctness and completeness of State party declarations would constitute an important factor in the effectiveness of the verification regime; that the regime should provide assurance that no undeclared fissile material production is occurring, and no undeclared fissile material production facilities exist. For a few experts the verification regime should address only declared production and facilities.

44. From a technical perspective, credible assurance would be connected to the appropriate identification and consistent application of treaty verification measures. Experts noted that existing IAEA inspection goals (such as significant quantity, detection time and detection probability) may provide a useful reference point for treaty negotiators, but recognized that they would likely need to be adjusted to suit the unique purpose and context of the treaty's verification regime. Other experts noted that verification of the treaty should not imply a mechanical application of existing verification procedures from other instruments and would need to be specific to this treaty.

45. There was strong support for a non-discriminatory verification regime, under which all States parties are subject to the same obligations. Most experts recognized that the requirements of a non-discriminatory treaty could be achieved even while tailoring verification methods, tools and techniques to facilities in a State party on the basis of specific verification objectives, contexts and challenges. A few experts stated that a verification standard specific to the treaty should be agreed and that it should be applied in a non-discriminatory manner to all State parties, in particular those affected by the treaty's obligations and responsibilities. Others stressed that the IAEA verification standards should be integrated into the treaty as a means to facilitate non-discrimination. Some experts proposed an approach that applied both "light" and "heavy" touch verification (i.e. different levels of verification intrusiveness and frequency) to different fissile material production activities and facilities depending on the non-compliance risks associated with them.

46. The Group acknowledged that, in practice, a significant increase in verification requirements would occur in States currently with unsafeguarded facilities. Some experts believed the treaty's obligations would be met in non-nuclear weapon States parties to the Treaty on the Non-proliferation of Nuclear Weapons via their commitments under that treaty, by means of their comprehensive safeguards agreement. Other experts believed that, notwithstanding its voluntary nature in the context of the safeguards system related to the Treaty on the Non-Proliferation of Nuclear Weapons, non-nuclear-weapon States should also be required to adopt an additional protocol in order to provide credible assurances that no undeclared production is taking place. Still others believed that for non-nuclear-weapon States, especially those without an additional protocol, credible measures similar, but not necessarily identical, to those contained in the additional protocol should be negotiated for treaty-specific purposes. Taking into account the principle of non-discrimination, some experts stressed that the same verification obligations should apply to all States.

47. Most experts agreed that a treaty's verification regime should seek to achieve a practical and sustainable balance between effective and resource-efficient verification acceptable to all States parties. And while the Group reinforced the need to develop a verification regime that is attentive to managing resources as cost effectively as possible, it cautioned that efficiency should not be understood to imply that effective verification activities would not be pursued owing to cost implications. Many experts felt that avoiding unnecessary duplication of existing international verification activities, where relevant to this treaty, could assist in this regard.

48. Experts considered the benefits and drawbacks of both focused and comprehensive approaches to treaty verification.

49. A focused approach would concentrate routine verification activities at enrichment and reprocessing facilities and at those downstream facilities that are processing or handling fissile material. Those favouring this approach spoke to its simplicity and resource efficiency. They argued that these facilities were most directly implicated in fissile material production. The verification of these facilities, coupled with monitoring of the use of fissile material produced, and supplemented by measures to detect possible undeclared production, would ensure against diversion for proscribed purposes. However, some experts considered this approach too narrow to provide for confidence of coverage under the treaty.

50. Under a comprehensive verification approach, in addition to that which is covered by the focused approach, verification activities would also cover most if not all of the nuclear fuel cycle. This would include upstream processing, which some experts pointed out would extend to other, less sensitive nuclear material. Power reactors and spent fuel would also be captured. Some experts felt that this approach would better meet treaty requirements, while others argued that the limited risk of diversion of this material did not merit the more complex and costly verification required.

51. Given the diversity in views, some experts also considered that negotiators could adopt a hybrid approach, concentrating particularly on those areas of the nuclear fuel cycle where the degree of attractiveness for misuse is highest, should a party seek to violate its treaty obligations.

52. Some experts highlighted that the level of verification, if any, that should be conducted at a given fissile material production facility would also depend on its status, of which operating, shut-down, closed-down, decommissioned or dismantled were possible categories.

53. The Group recognized that a treaty's verification regime will have to take into account the concerns of States parties regarding sensitive information, whether related to national security, non-proliferation or commercial proprietary reasons, in a manner that avoids compromising the credibility and efficacy of verification efforts. Many experts highlighted the need for greater clarity in order for all States parties to better understand where the limits to verification may stand, and emphasized that it was incumbent on an inspected State to nonetheless provide credible assurances to the international community by making best efforts to accommodate inspection requests and, if access could not be provided without compromising sensitive information, to seek to resolve questions by other means. Some experts noted this may prove difficult in certain instances, given the classification of relevant information. Some experts agreed that effective solutions would need to be developed, and suggested that useful models in this regard included a "black box" approach, focusing on limited verification of input and output and managed access procedures. Some experts felt that future negotiators could potentially benefit from further technical and scientific consideration of these issues.

54. Experts also discussed the implications of verifying material for non-proscribed military use (such as naval fuel) and associated facilities. Many experts felt that future production for non-proscribed military purposes should be verified in an appropriate manner, with some also arguing that past production declared for this purpose should be verified so as to preclude that it is used for proscribed purposes. As described in paragraph 53 above, useful models mentioned included a "black box" approach and, for some experts, procedures based on article 14 of the IAEA model comprehensive safeguards agreement and/or managed access.

55. Similarly, some experts suggested that a treaty would require the development of verification tools to address the sensitivity of verifying production facilities that existed in States with unsafeguarded facilities prior to entry into force, which are then designated for production for non-proscribed purposes. Others argued however, that the process of converting a facility from military to non-proscribed use does not

require specific verification tools since both the facility, and the material it contains, would become subject to verification.

56. Despite the objections raised in paragraph 25 above regarding the concept of material in excess to nuclear weapons requirements, experts debated potential verification approaches to address it. Many experts agreed that such material would, once in non-sensitive form, become subject to the treaty in a manner equivalent to material produced for non-proscribed purposes. Some experts argued that verification should begin (and declarations be provided) at the point when this material is declared excess, recognizing that special verification measures might be required given its sensitive nature. Other experts countered with regard to the complexities of verifying material at this early stage, and argued that verification could only begin once material has been converted to a non-sensitive form, composition and mass. Some experts also held the view that past production should remain outside the scope of a treaty that prohibits the production and not the possession of fissile material for use in nuclear weapons or other nuclear explosive devices.

57. Some experts argued that all past production of fissile material should be accounted for and verified under a treaty in order to provide a clear baseline on which to assess and verify treaty compliance. Many experts identified challenges to such an approach, with some arguing that verification of all past production may not be possible given the inability to determine a satisfactory historical accounting of the material originally produced. The Group discussed concerns about the dearth of efficient and effective technical means to conduct verification in States that are presently with unsafeguarded facilities, notably given proliferation and national security concerns, obligations under the Treaty on the Non-Proliferation of Nuclear Weapons prohibiting the transfer of sensitive information and the international community's lack of verification experience in military fuel cycle facilities. Also noted was the challenge of effectively and efficiently verifying large numbers of facilities or large-scale facilities, particularly those that are decades old and not designed to support monitoring. However, many experts argued that techniques could be developed to address these challenges.

58. **Declarations:** Experts agreed that to facilitate effective verification, States parties would be required to provide an initial declaration of fissile material production facilities and, for some experts, related downstream facilities handling fissile material and/or upstream facilities. They acknowledged, however, that the nature and content of such declarations would depend on the scope and definitions ultimately decided by negotiators. Some argued that all existing fissile material, including that produced prior to entry into force of the treaty, should be included, whereas others believed this would fall outside treaty scope. Experts discussed possible specific content for such declarations, including design information and status of facilities that produce fissile material, those that process and handle fissile material and, if applicable, the inventories of fissile material contained therein. Initial declarations would be complemented by ongoing declaration requirements to capture the production of fissile material, plans to construct new facilities or changes the status of existing ones. Some experts also noted the importance of providing design information and future development plans in order to facilitate effective verification efforts.

59. **Verification toolbox:** The Group agreed that a diverse verification toolbox would be necessary for the regime to provide credible assurance that States parties complied with their obligations and treaty verification requirements. Such a toolbox should include verification tools and techniques capable of supporting the verification standard agreed by States parties with respect to the implementation of their obligations. Most experts agreed that existing verification methods, tools and techniques employed in relevant multilateral or bilateral forums, most notably IAEA, but also, potentially, elements of those used by the Organization for the Prohibition of Chemical Weapons and the Provisional Technical Secretariat of the Comprehensive Nuclear-Test-Ban Treaty Organization, should likely form the core of the verification toolbox. Many experts felt that further study is needed in order to understand how they could apply in this treaty context, with negotiators considering the unique circumstances in which they were developed and implemented. The existing verification methods used by IAEA, including a system of material accountancy and control, were seen by most experts as being highly relevant to a treaty's toolbox, notably as a means to verify the correctness and completeness of State declarations of fissile material production and facilities. Other experts felt that existing IAEA approaches to verification were inappropriate for the treaty and that the verification toolbox could be discussed in depth only after the scope of the treaty had been determined. Experts agreed that it is important to leave flexibility in the toolbox to account for future developments in verification technology and, for some experts, the requirements of ongoing and future disarmament efforts. For a few experts, any change in the verification toolbox would need to be approved by all States parties. Given the complexity and interrelated nature of these issues, some experts noted the importance of continued consideration of verification methods, tools and techniques to add value to future negotiations.

60. Many experts highlighted the need for tools to detect undeclared production and facilities in States that currently have unsafeguarded facilities, and reflected on those presently employed by IAEA, although a few experts did not support the application of this concept to the treaty. A few experts believed that these States should adopt a comprehensive safeguards agreement and an additional protocol. Others highlighted that tools and techniques, similar to those contained in the model additional protocol could be in place in order to provide credible assurances that no undeclared production is occurring in those States. Still, a few experts stressed that a verification regime fit for purpose should be negotiated for the treaty. Environmental sampling was also suggested by some as a relevant IAEA tool when applied in the appropriate context and locations, although some experts questioned its value in detecting undeclared activity in States that had been operating unsafeguarded facilities on a significant scale, not least due to false alarms potentially generated by past production. Some experts also noted that verification challenges could be met through other measures without risking the release of sensitive information. These issues are likely to be site specific and will likely be resolved on a case-by-case basis.

61. Most experts agreed that a treaty's verification toolbox should include provisions for non-routine inspections, including challenge inspections, as a means to detect and deter undeclared fissile material production. Experts noted the value in examining various approaches to a model for non-routine inspections in the treaty, including, inter alia, IAEA special inspections and complementary access provisions, the challenge inspections procedures employed by the secretariat of the

Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction and the provisions used by the Provisional Technical Secretariat of the Comprehensive Nuclear-Test-Ban Treaty Organization for on-site inspections. Experts noted that specific procedures would be needed to launch and carry out such non-routine inspections.

D. Legal and institutional arrangements

62. The legal and institutional arrangements of a treaty banning the production of fissile material for nuclear weapons or other nuclear explosive devices will play an important role in ensuring its credibility within the international community. Experts agreed that these arrangements should be designed to facilitate the treaty's effective implementation so that it may achieve its intended object and purpose.

63. The Group counselled that negotiators would therefore need to balance credibility and flexibility while keeping in mind the need for precise and practical approaches. It was widely noted that the legal and institutional arrangements of a treaty should take into account the current and evolving experience of other international treaties and institutions. To maintain the confidence of States parties, the Group felt the treaty's institutions would need to remain credible, including by being politically impartial and technically able and by applying resource-efficient techniques. Some experts recommended that future negotiators consider ways to promote adherence to the treaty in the design of legal and institutional arrangements by increasing trust and confidence in the treaty, including through incentives.

64. **Governance:** Experts agreed that a treaty should include the establishment of governance and decision-making mechanisms that would provide political oversight and conduct treaty-related decision-making, including on issues of resource allocation, non-compliance and verification. Such mechanisms should include a conference of States parties, an executive council of some form and a secretariat. Citing membership and mandate concerns, some experts advocated an executive council, independent and unique to the treaty. Others felt that membership and mandate concerns could be addressed by establishing a separate treaty executive council within IAEA, while a few experts argued that the existing IAEA Board of Governors could fulfil this role, recognizing that it had assumed new responsibilities in the past. Many experts felt that additional consideration of the structure of these proposed mechanisms is desirable.

65. Some experts outlined the need for a treaty organization or secretariat, which would, at a minimum, provide support to the governance and decision-making bodies and manage administrative matters. It could also be tasked to monitor implementation of the treaty more broadly. There were differing perspectives on whether this entity should be independent and unique to the treaty or contained within IAEA. Some experts argued that details relating to the functioning of the treaty organization/secretariat should not be elaborated in the treaty itself, but would be best determined by the States parties at subsequent meetings.

66. Some experts proposed that the conference of State parties meet annually and that it have decision-making authority on implementation of the treaty, as well as oversight of the executive council and secretariat. Some felt this should also be complemented by a regular cycle of review conferences while others felt that periodic meetings of the conference of States parties would suffice.

67. For experts, an international and effectively verifiable treaty would be one that involves credible multilateral verification. Negotiators would need to determine whether verification responsibilities should be carried out by IAEA or be self-contained within the treaty organization/secretariat. Experts in favour of locating the verification body within IAEA suggested it would avoid unnecessary duplication and ensure the consistent application of treaty obligations for the many States already under IAEA verification mechanisms, and could be accomplished through a formal cooperation mechanism. A structure similar to the Iraq Action Team within IAEA was noted as a possibility. Resource implications and the depth of experience and established technical capabilities of IAEA were also cited as factors in favour of its selection as a verification body. Other experts, however, felt that the distinct purpose of the treaty, and potential for different membership from IAEA, argued in favour of a self-contained verification body situated within the treaty organization/secretariat, with legal authority and resources capable of verification and other implementation functions. They noted the limited IAEA experience with verification in States currently with unsafeguarded facilities, and the potential for proliferation of sensitive information (which other experts noted would exist irrespective of the body selected). For some experts, however, even if an independent verification body were pursued, it should be positioned to draw on the useful expertise and resources of IAEA. Experts noted that any role for IAEA would have implications for its current functioning.

68. Drawing on lessons from existing arrangements in similar treaties, negotiators will need to consider how the structure and functioning of the verification regime should best be reflected in the text of a treaty. For example, some experts suggested that elaborate technical details could be integrated in parallel annexes or protocols (in a model similar to the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction or the Comprehensive Nuclear-Test-Ban Treaty) or in subsidiary arrangements outlined separately between the verification body and individual States parties, as in the case of IAEA safeguards. Caution was noted by some about being overly prescriptive, given the pace of technological change. Others highlighted that provisions on the protection of confidential information would be pertinent to treaty implementation.

69. **Compliance:** Experts agreed that States parties, whether through a conference of States parties or an executive council, should play the main role in assessing cases of non-compliance. For some experts both States parties and the verification body could have a role in invoking certain non-routine inspection rights, while for others such a role was limited to States parties. Experts noted the importance of establishing mechanisms within a treaty to reduce the probability and verify the credibility of non-compliance accusations that might be frivolous and/or abusive.

70. Experts agreed that a process would be needed to address allegations of non-compliance. Many experts saw value in using a cooperative approach in response to initial reports of non-compliance, which could serve as an incentive by ensuring the participation of involved parties. Some experts suggested negotiators might find value in examining existing models that use a cooperative approach, such as the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction, the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May be Deemed to be Excessively Injurious or to Have Indiscriminate Effects and the Comprehensive Nuclear-Test-Ban Treaty (consultation and clarification). Only

where serious concerns are identified, and where cooperative deliberations are unproductive or inconclusive, would a finding of non-compliance be made. Some experts suggested assessments of non-compliance could be addressed within the conference of States parties. The executive council, an ad hoc committee or the conference on States parties, may have a role in each or any of these approaches.

71. The Group explored the benefits and drawbacks of having formal findings of non-compliance referred to the Security Council or the General Assembly. Experts discussed the institutional problems that could arise in a situation involving non-compliance by a permanent member of the Security Council. A few experts suggested that negotiators may wish to examine how the issue was considered in the development of the Comprehensive Nuclear-Test-Ban Treaty. Some experts also proposed that the treaty should contain its own punitive measures (inter alia, suspension of membership from decision-making bodies), which could be imposed, as per procedures agreed in the treaty, prior and without prejudice to the penalties imposed by another principal organ of the United Nations. Finally, experts raised the potential of complications in dealing with non-compliance in States with existing IAEA obligations under multiple regimes, with possibly different executive bodies of divergent membership. Experts felt that these issues merited further consideration.

72. **Amendment and review:** A treaty should include practical amendment provisions to be pursued in conformity with international treaty law. Experts discussed different mechanisms for making amendments, which could include a referral mechanism to the conference of States parties, a review conference or an ad hoc amendment conference (called by two-thirds of the members of the conference of States parties). Some experts argued that given the potential ramifications of substantive treaty amendments, they should be adopted by consensus. Others argued that while consensus should be the goal, a treaty should adopt the practice of the most recent disarmament conventions and allow voting. The possibility of qualified voting was discussed.

73. Separately, many experts noted that depending on the detail contained in the treaty on issues such as verification, a dedicated and expedited process to address technical updates might be needed. This mechanism should be flexible and non-resource-intensive, with some experts proposing this task could fall to a review conference.

74. **Entry into force:** The Group felt that negotiators would need to consider the range of options between overly restrictive entry into force provisions that could block its effective implementation and more permissive provisions that could undermine treaty credibility. Many experts felt that proposing a simple unqualified number of States necessary for ratification would affect the treaty's credibility and that entry into force should require ratification by a specified number of States with unsafeguarded facilities. Some experts pointed to the need to set out such provisions without conferring any unintended legal status. Other experts argued that legal status would be unique to the treaty and that it should not target any country or rely on categories of States contained in other treaties. Some experts argued that ratification by a certain number, or all, States with enrichment and reprocessing capabilities should be the criteria used for entry into force. Although the number of States falling into this category would be directly impacted by the treaty definition of fissile material production, some experts noted that it could be technically

challenging to determine which States would fit in this category. Another approach would be to require a specific number of States from more than one of the categories noted above. Experts agreed that treaty universality would remain an important goal.

75. **Duration:** Many experts argued that indefinite duration of the treaty would preserve the irreversibility of measures taken under it. Some experts suggested that a treaty of long duration (such as 25 years), perhaps with renewal provisions, could achieve the same objectives. While many experts were confident that either indefinite or lengthy treaty duration would sustain disarmament momentum, some viewed the treaty as an interim step and expressed concern that a treaty with indefinite duration would reduce incentives and pressure to make progress on other disarmament commitments.

76. **Withdrawal:** Consistent with international law and notwithstanding efforts to ensure irreversibility, the Group agreed that parties to a treaty should have the right to withdraw, although given its potential strategic implications and the desire to prevent potential abuse, experts felt that conditions for withdrawal should be restrictive. For example, the treaty should require adequate advance notice for withdrawal, and members of the Group felt that States should remain responsible for commitments previously entered into on treaty obligated material, and for any violations that may have been committed prior to withdrawal. Some experts suggested that withdrawal by a State with currently unsafeguarded fissile material could risk undermining the object and purpose of a treaty, with a few indicating it should trigger its termination while others countered that such singling out was discriminatory.

77. **Other issues:** Experts recognized that other legal and institutional issues such as accession, reservations, depository, dispute settlement, etc. would benefit from further analysis. Some experts felt that legal and institutional issues are interrelated and should be addressed in an integrated manner.

V. Conclusions and recommendations

78. Given the dynamic and challenging contemporary global security environment, members of the Group believed firmly in the importance of ensuring continued international commitment and high-level attention to making practical progress on achieving a world without nuclear weapons and on non-proliferation in all its aspects. In this regard, the Group agreed that a treaty could contribute practically to this goal, and more broadly to enhancing global security.

79. The work of the Group represented the most thorough expert intergovernmental assessment to date of a treaty banning the production of fissile material for nuclear weapons or other nuclear explosive devices. Given the depth of its exchanges, the Group has allowed for a better understanding of the potential architecture of a future treaty and has further clarified its various aspects. It also identified areas, including technical and scientific challenges to definitions, verification and scope, or on legal and institutional matters, which will have implications for future treaty negotiations. In this regard, it helped identify areas of potential convergence and divergence and where a spectrum of views may exist. The Group concluded its work with a fuller appreciation of the range of expert positions, including on issues that may pose challenges to negotiators. Without prejudice to

national positions, the members of the Group are confident that this report and the deliberations which underpin it, can serve as a valuable reference for States and should be a useful resource for negotiators of a future treaty.

80. In addition, pursuant to its discussions, the Group recommends that:

- Future negotiators of a treaty take into account the work of the Group, as appropriate in their deliberations.
- In conveying the work of the Group to the Conference on Disarmament, the Secretary-General call upon the Conference to consider and fully examine the report of the Group. States members of the Conference on Disarmament are encouraged to include in their delegations technical experts, as may be required, to facilitate deliberations on issues identified in the report.
- The Secretary-General, building on the 2013 report on the treaty banning the production of fissile material for nuclear weapons or other nuclear explosive devices (A/68/154), seek the views of the States Members of the United Nations on the present report.
- States give due consideration to the report of the Group and the report be made available to the wider international community and civil society, for example on the websites of the United Nations and the Conference on Disarmament.

81. Finally, the Group has demonstrated through its significant analysis and thoughtful dialogue that the various perspectives of States on a treaty should not be an obstacle to commencement of negotiations. In accordance with General Assembly resolution 67/53, the Group considers that document CD/1299 and the mandate contained therein continues to provide the most suitable basis on which future negotiations can commence without further delay in the Conference on Disarmament and, as noted in the Shannon report, would allow negotiators to raise for consideration all aspects of a treaty, including its scope. In this regard, members of the Group believe that continued active support and leadership by the Secretary-General is important to maintain momentum.

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**Permanent sovereignty of the Palestinian people in the
Occupied Palestinian Territory, including East
Jerusalem, and of the Arab population in the occupied
Syrian Golan over their natural resources**

Economic and Social Council
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**Economic and social repercussions of the
Israeli occupation on the living conditions
of the Palestinian people in the Occupied
Palestinian Territory, including East
Jerusalem, and the Arab population in the
occupied Syrian Golan**

**Economic and social repercussions of the Israeli occupation
on the living conditions of the Palestinian people in the
Occupied Palestinian Territory, including Jerusalem, and
the Arab population in the occupied Syrian Golan**

Note by the Secretary-General

Summary

In its resolution 2014/26, the Economic and Social Council requested the Secretary-General to submit to the General Assembly at its sixty-ninth session, through the Council, a report on the implementation of that resolution. The Assembly, in its resolution 69/241, also requested the Secretary-General to submit a report to it at its seventieth session. The present report, which was prepared by the Economic and Social Commission for Western Asia, is submitted in compliance with the resolutions of the Council and the Assembly.

* A/70/50.



Israel continues employing practices and policies in violation of international humanitarian law and international human rights law. In 2014 the Palestinian civilian death toll was the highest recorded since 1967, and the level of destruction was unprecedented, owing in particular to the Gaza conflict in July and August 2014. Israeli discriminatory policies and practices in the Occupied Palestinian Territory and the occupied Syrian Golan include excessive use of force, settlement expansion, property destruction and exploitation of natural resources. Impunity is afforded to Israeli security and military personnel and settlers. The cumulative impact of these policies and practices not only violates the rights of the population, but also exacerbates their social and economic conditions.

The Economic and Social Commission for Western Asia wishes to acknowledge its appreciation for the substantive contributions of the United Nations Conference on Trade and Development, the Office of the Special Representative of the Secretary-General for Children and Armed Conflict, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the Office for the Coordination of Humanitarian Affairs, the International Labour Organization, the Food and Agricultural Organization of the United Nations, the World Health Organization, the World Food Programme, the United Nations Environment Programme, the United Nations Human Settlements Programme, the United Nations Entity for Gender Equality and the Empowerment of Women, the United Nations Population Fund, the Department for Political Affairs and the League of Arab States.

I. Introduction

1. The Economic and Social Council, in its resolution 2014/26, and the General Assembly, in its resolution 69/241, expressed concerns over the practices of Israel, the occupying Power, in the Occupied Palestinian Territory and the occupied Syrian Golan that were in violation of international humanitarian law. These practices have included causing the deaths and injuries of civilians, including children, women and peaceful demonstrators, all of whom must be protected in accordance with international humanitarian law. They have also included increasing acts of violence by illegal armed Israeli settlers against Palestinian civilians and their properties, as well as the continued detention of thousands of Palestinians, including children and women, under harsh conditions. The Council and the Assembly also expressed their concern about the accelerated construction by Israel of settlements, the construction of the wall inside the Occupied Palestinian Territory, the exploitation of Palestinian natural resources, the increased demolition of homes, economic institutions, agricultural lands and infrastructure, the revocation of residency rights of Palestinians in and around occupied East Jerusalem, Israeli military operations and policies of closures and severe restrictions on the movement of persons and goods, including what in effect amounts to a blockade of the Gaza Strip. The Council and the Assembly requested that the Secretary-General submit a report on the implementation of Economic and Social Council resolution 2014/26 and General Assembly resolution 69/241 examining the aforementioned practices of Israel and their socioeconomic impact.

II. Occupied Palestinian Territory

2. In spite of the 2004 advisory opinion of the International Court of Justice on the *Legal Consequences of a Wall in the Occupied Palestinian Territory* (see A/ES-10/273 and Corr. 1), among other assertions, Israel continues to deny the established fact that international human rights law and international humanitarian law are applicable in the Occupied Palestinian Territory (see A/69/347).

3. A number of Israeli policies and practices continue to undermine the right of the Palestinian people to self-determination. These include the transfer of Israeli citizens into occupied territory; the revocation of residency rights of Palestinians in East Jerusalem; Israel's blockade of Gaza; the closure regime in the West Bank, including the continued construction of the wall; restricted access in Gaza; demolition and/or confiscation of Palestinian structures, including residential, and the eviction of their inhabitants; control of the population registry; and the use of Palestinian natural resources (see A/69/347, para. 15).

4. Violations of international humanitarian law and international human rights law have been further entrenched through Israeli policies and practices (see A/69/347, para. 8).¹ In this context, the Committee on the Elimination of Racial Discrimination had censured Israel under the rubric of apartheid and segregation (see CERD/C/ISR/CO/14-16, para. 24).

5. On 7 July 2014, Israel launched a 51-day military offensive against the Gaza Strip, causing unprecedented loss of life and destruction. Concerns over the

¹ See also CRC/C/ISR/CO/2-4, para. 7 and CCPR/C/ISR/CO/3, para. 16.

possibility that international crimes were committed during the offensive prompted the establishment and dispatch of an independent, international commission of inquiry into relevant violations (see Human Right Council resolution S-21/1, para. 13).

Segregation and discrimination

6. Since the onset of the occupation in 1967, Israel has gradually created two different regimes in the West Bank that discriminate against residents according to their religion. A regime for Jewish residents, who are usually Israeli citizens and whose presence in settlements in occupied territory in itself contravenes international law,² ensures that they enjoy all the rights granted to Israeli citizens. Another regime has been created for Palestinians, under which the occupied people live under harsh military rule that primarily serves the interests of Israel and the settlers.³

7. Jewish Israeli citizens, Palestinian citizens of Israel and Palestinian residents of East Jerusalem are treated differently in terms of civil status, rights and legal protection, in the Israeli domestic legal framework that maintains a three-tiered system (see CCPR/C/ISR/CO/4, para. 7). A fourth tier governs Palestinians living in the rest of the West Bank who are subject to the Israeli military legal system.⁴

Legal system

8. The application of the two legal systems in the West Bank — the Israeli domestic legal system for Israeli settlers and the military system for Palestinians — has been enshrined in rulings of the Israeli High Court of Justice, where Israeli courts regard settlements in the occupied territory as Israeli enclaves.⁵ Thus, in criminal cases, the national identity of a person in the West Bank determines which law will apply to that person in every stage of the legal proceedings, including the trial, the sentencing and the conditions of imprisonment. In all the stages, Palestinians adults and minors are discriminated against when compared to Israelis.⁵

9. Furthermore, while an Israeli “minor” under Israeli criminal law is a person who has not yet turned 18, the age of majority for Palestinians is still 16 for the purpose of arrest, detention and interrogation. While Israeli law prohibits the imprisonment of persons who are not yet 14 years old, Israeli military legislation allows for the issuance of prison sentences of up to six months to Palestinian children who are over the age of 12 but not yet 14, and up to one year to children over the age of 14 but not yet 16.⁵

² See Association for Civil Rights in Israel, (ACRI), One Rule, Two Legal Systems: Israel’s Regime of Laws in the West Bank, October 2014.

³ See B’tselem, 47 Years of Temporary Occupation. Available at www.btselem.org/publications/47_year_long_temporary_occupation.

⁴ ACRI, The Status of the Right to Demonstrate in the Occupied Territories.

⁵ ACRI, One Rule, Two Legal Systems: Israel’s Regime of Laws in the West Bank, October 2014, citing High Court of Justice 10104/04, *Peace Now S.A.L. Educational Enterprises v. Supervisor of the Jewish Settlements in Judea and Samaria*, 61(2) 93 (2006), p. 14 of the judgement.

Freedom of movement

10. Israeli authorities impose movement restrictions on Palestinians in the occupied West Bank, while there are almost no restrictions on the movement of Israelis therein, except in Area A, which constitutes 18 per cent of the West Bank.⁵

11. The free and safe movement of settlers is secured at the expense of Palestinians (see A/HRC/22/63, para. 75). By February 2014, Israel had designated 65 kilometres of West Bank roads for the exclusive, or almost exclusive, use of Israelis.²

12. In 1997, the commander of the Israeli army in the West Bank published an order declaring all municipal areas of settlements as military zones closed to Palestinians. The order, which was expanded in 2002 to include additional areas, stipulated that it does not apply to Israelis.²

Residency

13. Between 1967 and 1993, Israeli authorities de facto exiled more than quarter of a million Palestinians from the Occupied Palestinian Territory by means of revocation of their residency permits (see A/69/81-E/2014/13, para. 16). In East Jerusalem, 14,416 Palestinians have had their residency permits revoked until the end of 2014.⁶

14. Since 2007, Israel has treated Palestinians originating from Gaza and living in the West Bank as “illegal stayers”, unless they hold a permit issued by the military. In April 2010 the Israeli army issued an order that deemed any person found in the West Bank without an Israeli permit to be an infiltrator who would face imprisonment, even if the person permanently resided in the West Bank. That automatically turned tens of thousands of Palestinians living in the West Bank, including students, into offenders. The Israeli army spokespersons clarified that the order would not be used against Israelis. To the contrary, an Israeli who chooses to move into the Occupied Palestinian Territory receives economic and other incentives.²

15. In occupied East Jerusalem, Palestinian residents are treated as “aliens”, thereby exacerbating the insecurity of their permanent residency status (see CCPR/C/ISR/CO/4, para. 18). Israeli laws and the Government’s “demographic balance” policy⁷ governing residency of Palestinians do not allow family reunification permits in cases of marriages involving Palestinians outside East Jerusalem. Such policies force Palestinians to reside outside East Jerusalem with their spouses in order to maintain family life, resulting in the revocation of their East Jerusalem residencies (see A/69/81-E/2014/13, paras. 11-17).

Zoning, planning and construction

16. Area C, where Israel retains nearly exclusive control, including over law enforcement, planning and construction, encompasses 62 per cent of the West Bank.

⁶ Hamoked, <http://www.hamoked.org/Document.aspx?dID=Updates1285>, and <http://www.hamoked.org/Document.aspx?dID=Documents2654> accessed on 6 May 2015.

⁷ The Jerusalem municipality of Israel has openly pursued a policy known as “demographic balance”, which calls for a 60/40 demographic balance in favour of Jewish residents, see A/69/81-E/2014/13.

The Israeli Government has designated 39 per cent of Area C for settlements and their future expansion, 20 per cent for closed Israeli military areas (including "firing zones") and 13 per cent for natural reserves.⁸

17. The discriminatory zoning and planning regime regulating the construction of housing and structures by Palestinians in Area C of the West Bank and the East Jerusalem periphery makes it almost impossible for Palestinians to obtain building permits, while facilitating the growth of Israeli settlements in those areas (see CCPR/C/ISR/CO/4, para. 9).

18. The combined area in which Palestinians can undertake construction is approximately 0.5 per cent of Area C (see A/69/81-E/2014/13, para. 8), compared to 26 per cent for Israeli settlements.² As such, more than 94 per cent of the Palestinian construction permit applications in Area C between 2000 and 2012 were rejected by the Israeli authorities.⁹

19. Similarly in East Jerusalem, the Israeli construction permit system and plans authorization process makes it very difficult for Palestinians to undertake formal and legal construction.¹⁰ By August 2014, Israel had demolished at least 2,000 Palestinians homes in East Jerusalem. Today, at least an additional 33 per cent of Palestinian homes lack Israeli-issued building permits, leaving at least 93,100 residents at risk of eviction, home demolition and displacement.¹¹

20. The widespread practice of building without Israeli permits in East Jerusalem is largely attributed to the extremely limited opportunities for authorized construction. Over 35 per cent of the land in the Israeli-defined municipal area of East Jerusalem has been confiscated since 1967 for settlement use. Much of 13 per cent of the total East Jerusalem area available for Palestinian construction is already built up.¹¹

21. The Palestinian population of East Jerusalem also suffers from neglect in terms of municipal services and availability of public buildings and facilities, industrial and commercial zones, and social and cultural institutions. There has also been increasing evidence of problematic and even criminal action by police officers from various units when dealing with Palestinians in East Jerusalem.¹²

Excessive use of force, arbitrary detention and population displacement

22. The Palestinian death toll during the reporting period was unprecedented since the onset of the occupation. A total of 2,306 Palestinians were killed and 17,186 were injured between 31 March 2014 and 28 February 2015.¹³

23. Citing rocket attacks launched in June 2014 into Israel from Gaza, in July Israel launched its deadliest offensive against the Gaza Strip since its occupation in 1967. During the 51-day offensive the Israeli military carried out 4,028 air raids,

⁸ Information received from the United Nations Conference on Trade and Development (UNCTAD).

⁹ B'tselem, Acting the Landlord: Israel's Policy in Area C, June 2013, p. 19.

¹⁰ Information received from the United Nations Human Settlements Programme (UN-Habitat).

¹¹ Office for the Coordination of Humanitarian Affairs East Jerusalem: Key Humanitarian Concerns Update, August 2014.

¹² ACRI, The State of Human Rights in Israel and the OPT 2014, December 2014.

¹³ Office for the Coordination of Humanitarian Affairs, Humanitarian Bulletin Monthly Report, February 2015.

firing 5,830 missiles, 16,507 artillery and tank projectiles and 3,494 naval shells (see A/HRC/28/80/Add.1, para. 24) into one of the most densely populated areas in the world. As a result, 2,220 Palestinians were killed, of whom at least 1,492 were civilians, including 551 children.¹⁴

24. During the offensive, Palestinian militant groups also launched approximately 4,881 rockets and 1,753 mortars towards Israel. During the offensive a total of 6 Israeli civilians and 66 soldiers were killed (see A/HRC/28/80/Add.1, para. 25).

25. According to the Palestinian Ministry of Health, 11,231 Palestinians were also injured (see A/HRC/28/80/Add.1, para. 24). Around 10 per cent of them may acquire long-term or permanent disability, almost a third of them children.¹⁵

26. On seven separate occasions during the offensive, Israeli ordnance struck United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) schools designated as emergency shelters, whose exact positions had been reported to the Israeli army by the Agency. United Nations premises are inviolable under the 1946 Convention on the Privileges and Immunities of the United Nations. Among those killed were 11 UNRWA personnel, while others were seriously wounded.¹⁶

27. Furthermore, Human Rights Watch and other international and Israeli non-governmental organizations report to have documented cases of Israeli troops using Palestinian civilians as human shields.¹⁷ Israeli forces also reportedly fired at ambulances, preventing them from reaching the wounded, and shot and killed fleeing civilians.¹⁸

28. According to the United Nations Mine Action Service, an estimated 7,000 explosive remnants of war and other explosive hazards remain in Gaza, placing the lives of Palestinians in Gaza at risk.¹⁹

29. The West Bank also witnessed a rise in the number of Palestinian casualties, particularly during the period between May and August 2014. The fatal shooting of two Palestinians boys²⁰ in May preceded the kidnapping and killing of three Israeli youths in June and the kidnapping and the burning of a Palestinian child in July. Following the disappearance of the three Israeli teenage settlers, the Israeli army launched a military operation in the West Bank that resulted in the death of 32 Palestinians, including 5 children, and the injury of more than 3,137 others, including 560 children, between 1 June and 31 August 2014 alone.¹³

30. Another issue of concern is Israel's continued failure to meet its obligations under international law to promptly, thoroughly, effectively, independently,

¹⁴ Office for the Coordination of Humanitarian Affairs, *Fragmented lives: Humanitarian Overview 2014*, March 2015.

¹⁵ Office for the Coordination of Humanitarian Affairs, 2015 Strategic Response Plan OPT.

¹⁶ Information received from UNRWA.

¹⁷ Human Rights Watch, *World Report 2015*; Defence of Children International, <http://www.dci-palestine.org/documents/israeli-forces-use-palestinian-child-human-shield-gaza>; Physicians for Human Rights-Israel, *Gaza 2014: Findings of an Independent Medical Fact-Finding Mission*.

¹⁸ Human Rights Watch, *World Report 2015*.

¹⁹ Office for the Coordination of Humanitarian Affairs, *Humanitarian Bulletin Monthly Report*, September 2014.

²⁰ Office for the Coordination of Humanitarian Affairs, *Protection of civilians weekly report*, 13-19 May 2014.

impartially and transparently investigate incidents of killings and serious injury by its security and armed forces.²¹

Detention, torture and ill-treatment

31. Israeli forces conducted 4,956 search and arrest operations in 2014, marking a 31 per cent increase (weekly average) compared with 2013.¹³

32. By the end of February 2015, 6,670 Palestinians, including 182 children, were detained in Israeli prisons.²²

33. Israeli authorities' practice of administrative detention of Palestinians continues. Concerns over this practice stem from detention orders being based on secret evidence and the denial of access to counsel, independent doctors and family contacts (see CCPR/C/ISR/COH/4, para. 10). As at the end of March 2015, 412 Palestinians were held as administrative detainees, compared to 186 held in January 2014.²²

34. The use of torture and other ill treatment in Israeli detention facilities continues to be reported, including widespread, systematic and institutionalized ill treatment of Palestinian children (see CCPR/C/ISR/CO/4, para. 15).

35. Palestinian children in the West Bank continued to be detained and prosecuted through the military court system, mostly in relation to allegations of stone throwing. On average, throughout 2014, almost 185 Palestinian children were held in Israeli prisons.¹³

36. In relation to the cases of military detention, from January to September 2014, the United Nations gathered 74 sworn testimonies of children between the ages of 13 and 17 who reported ill treatment by the Israeli military and security forces while in detention in the West Bank; 54 of the testimonies included reports of having been subjected to at least 10 different types of violations of their rights.²³

37. Since 2001 more than 800 complaints of torture during interrogations by Israeli security services have been filed. No criminal investigations have been initiated as a result of the complaints.²⁴ Along the same lines, at least 133 complaints were filed by the Public Committee Against Torture in Israel, between 2007 and 2013, regarding soldier violence against detainees in the Palestinian occupied territory; 73 per cent of the complaint files were closed and only 2 complaints resulted in an indictment against a soldier, on assault charges.²⁴

Population displacement, property destruction and confiscation²⁵

38. During the Gaza conflict in 2014, some 19,000 housing units were severely damaged or totally destroyed. Another 98,421 units sustained partial or minor

²¹ See A/HRC/28/45, para. 31; A/69/347, paras. 52-69; CCPR/C/ISR/CO/4, para. 13.

²² B'tselem, http://www.btselem.org/statistics/detainees_and_prisoners, accessed on 6 May 2015.

²³ Information received from the Office of the Special Representative of the Secretary-General for Children and Armed Conflict.

²⁴ The Public Committee Against Torture in Israel, *Prosecutorial Indifference: Systematic Failures in the Investigation of Soldier Violence against Detainees in the Occupied Palestinian Territory*, June 2014.

²⁵ Information on destruction of and damage to businesses and agricultural property during the 2014 summer offensive.

damage.¹⁴ As such, approximately 44 per cent of all housing units in Gaza were affected. According to the Palestinian Ministry of Public Works and Housing estimates, prior to the offensive, the Gaza Strip lacked 122,669 housing units to meet the needs of the population.²⁶

39. Also during the offensive, over 290,000 out of 500,000 internally displaced Palestinians were sheltered in 90 UNRWA school buildings.¹⁶ In the aftermath, approximately 100,000 Palestinians were rendered homeless and were either renting or still in collective centres or with host families.¹⁴

40. In the West Bank, including East Jerusalem, Palestinians continue to suffer from forced displacement, mainly as a result of destruction of property, forced evictions, settler violence and movement and access restrictions. In East Jerusalem, these factors are coupled with lack of civil documentation and revocation of residency rights, as mentioned above.¹⁴

41. During 2014, Israeli authorities demolished 601 structures, including homes, in the West Bank, including East Jerusalem, displacing 1,215 Palestinians, the highest scale of such displacement since 2009.¹³ It included the complete displacement of four Palestinian communities (see A/69/347, para. 26).

42. Israeli authorities resumed punitive home demolitions in 2014 in the West Bank. Four houses were entirely destroyed in this context and another was sealed.¹⁴ Punitive house demolitions constitute collective punishment, and thus violate international law and Israeli law.²⁷

43. Israeli authorities have recently increased pressure on 7,000 Bedouins and herders in 46 communities in Area C to leave their places of residence by issuing and enforcing more demolition orders and stop-work and seizure orders against residential and agricultural structures (see A/69/348, para. 13). The overwhelming majority of Bedouins targeted for transfer are Palestine refugees.¹⁶ Furthermore, it is reported that the Israeli military is using military firing zones as a way to push Palestinians out of certain areas (see A/69/348, para. 15).

44. By 2013, Israel had officially confiscated more than 1,000 km² of Palestinian-owned land comprising 20 per cent of the West Bank (including East Jerusalem), (see A/HRC/22/63, paras. 63-64), mostly for the use of settlements. During 2014, Israeli authorities confiscated an additional 7.3 km² of Palestinian privately owned lands, including 4 km² that were confiscated in a single confiscation order, the biggest such order since 1967.²⁸

Settlements and settler violence

45. Israeli settlements continue to be at the centre of multiple violations of the human rights of Palestinians, their right to development and their right to self-determination. The settlement enterprise, including Israel's continued transfer of its population into the Occupied Palestinian Territory, also violates international

²⁶ Ministry of Public Works and Housing, http://www.mpwh.ps/index.php?option=com_content&view=article&id=223%3A2013-09-24-08-29-25&catid=35&lang=en, accessed on 25 March 2015.

²⁷ See Hamoked, Punitive House Demolitions, <http://www.hamoked.org/timeline.aspx?pageID=timelinehousedemolitions>.

²⁸ Information received from the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women).

humanitarian law (see A/69/348, para. 11), and may have already “killed” the prospects for the two-State solution.²⁹

46. Yet, successive Israeli Government administrations pursued the expansion of those illegal settlements, “even as that very exercise fuels tension and conflict in the city and across the Occupied Palestinian Territory” (see A/HRC/28/45, para. 47). By March 2015, there were approximately 250 Israeli settlements and an estimated 580,000 settlers in the Occupied Palestinian Territory.³⁰ Since May 2011, 25 of the 100 settlements that had not been officially authorized by the Israeli Government have been either “retroactively approved, or in the process following government-level instructions to advance their retroactive approval”.³¹

47. In at least the past decade 2014 was a record year regarding the publication of tenders for construction in Israeli settlements. In addition, on 30 January 2015, tenders for another 450 units in the West Bank were issued; 2014 also saw a 40 per cent increase in construction starts compared to 2013.³²

48. In September and October 2014, the Israeli Government announced plans to construct some 1,000 settlement units in occupied East Jerusalem. This announcement came directly after the Israeli decision at the end of September to accelerate the process of constructing another 2,600 residential units also in settlements in East Jerusalem.³³

Settler violence

49. Violence by Israeli settlers against Palestinians and their property in the West Bank, including East Jerusalem, continued with impunity, despite the fact that measures have been implemented by Israeli authorities to curb settler violence. UNRWA recorded 719 incidents of Israeli settler violence, harassment or other transgressions in the West Bank in 2014; 203 of the incidents occurred in and around the al-Aqsa Mosque compound in East Jerusalem.³⁴ Of those incidents, 331 resulted in Palestinian casualties or damage to property in 2014. Another 62 such attacks were recorded in the first three months of 2015.³⁵

50. Israeli settlers also target fruit trees, mostly olive trees. During 2014, 10,596 trees were uprooted, burned or sprayed with toxic chemicals, leading to loss of production and exposure over soils to degradation.³⁵

51. Israeli authorities continue to take inadequate action against Israeli settlers who commit violent acts against Palestinians. This includes the failure to effectively and impartially investigate crimes committed by Israeli settlers and to hold the perpetrators accountable, thereby propagating a culture of impunity. Between 2005

²⁹ Office of the United Nations Special Coordinator for the Middle East Process, Briefing to the Security Council on the Situation in the Middle East, 26 March 2015.

³⁰ Palestinian Central Bureau of Statistics, Press Release on Israeli Settlements in Palestine, September 2014.

³¹ Yesh Din, Under the Radar, Israel’s silent policy of transforming unauthorized outposts into official settlements.

³² See Peace Now, available at peacenow.org.il/eng/Construction2014, accessed: 9 March 2015.

³³ UN-Habitat input citing the Department of Political Affairs of the United Nations Secretariat: 29 October 2014 briefing on the situation in Jerusalem.

³⁴ Office for the Coordination of Humanitarian Affairs, Humanitarian Bulletin Monthly Report, March 2015.

³⁵ Information received from United Nations Environment Programme (UNEP).

and 2014, 91.4 per cent of monitored cases were closed without any indictments of Israeli settlers (see A/HRC/28/44, para. 51).

The West Bank barrier wall

52. In 2004, the International Court of Justice considered the construction of a wall in the West Bank illegal and “de facto annexation” (see A/ES-10/273 and Corr.1). The Court also affirmed Israel’s obligation to cease its construction and dismantle constructed parts thereof, in addition to provide reparations, including restitution and compensation, to victims. Israel has so far failed to comply with the various components of the Court decision, and continues with the construction of the wall, with negative consequences for the Palestinian population (see A/69/347, para. 27).

53. Approximately 445 km of the 712-km wall have been either completed or are currently under construction (28 km are under construction),³⁵ mostly inside the West Bank, along with related fences, ditches, razor wire, groomed sand paths, an electronic monitoring system, patrol roads and a buffer zone. Land for construction of the wall is requisitioned from Palestinian landowners by the Israeli Ministry of Defence through military orders.³⁶

54. The wall with its current planned route would isolate 9.4 per cent of the West Bank, including East Jerusalem, along with entire communities comprising approximately 11,000 Palestinians between the wall and the Green Line, an area labelled as the “seam zone”.³⁶

55. Palestinian farmers are obliged to obtain special permits to access their farming “seam zone”, which has been declared a “closed area”. In the past four years only half of such permit applications in the northern West Bank have been approved.³⁶

Mobility restrictions and closure policies

Gaza blockade and access-restricted areas

56. Israel has continued a blockade on the Gaza Strip imposed since 2007, “locking-in” over 1.8 million people in an area of land already recognized as one of the most densely populated in the world, which is experiencing worsening physical, economic and social living conditions.¹⁰ The blockade amounts to collective punishment of the civilian population, in violation of international law (see A/69/347, para 30). The closure of the Rafah crossing with Egypt and the illegal smuggling tunnels further exacerbated these conditions.

57. The blockade restricts the access of people, including patients referred for medical treatment. The blockade also creates security-related delays and additional costs of transportation for imports of medical goods and equipment into Gaza.³⁷

58. In addition to overall restrictions on the movement of goods, the Israeli authorities define construction materials as “dual use items”, and consequently have severely restricted their import into the Gaza Strip since the imposition of the blockade. This has severely curtailed reconstruction and development efforts in

³⁶ Office for the Coordination of Humanitarian Affairs, 10 Years since the International Court of Justice Advisory Opinion, 2014.

³⁷ Information received from the World Health Organization (WHO).

Gaza, since imports of construction materials by United Nations agencies into Gaza remain subject to a lengthy and cumbersome approval process imposed by Israeli authorities.¹⁶

59. Although the temporary Gaza Reconstruction Mechanism³⁸ allowed approximately 71,000 families to purchase restricted building materials, those cases involved repairs of homes rather than reconstruction of destroyed ones. Delays in the clearance of projects through the Mechanism and other delays by the Palestinian Government compounded the slow pace of disbursement of pledges by donors, resulting in no housing reconstruction projects having been implemented as at the end of February 2015.³⁹

60. After the Israeli 2014 summer offensive, the Israeli Government announced a relaxation on transfers of agricultural and fishery products from the Gaza Strip to the West Bank for the first time since 2007. Nevertheless, such a measure responds only partially to actual needs. (Non-agricultural commodities are still banned for transfer to the West Bank.)³⁹

61. In addition to the blockade, Israel continues to impose land and maritime access-restricted areas in the Gaza Strip. Following the end the summer offensive, the fishing zone was briefly expanded to six nautical miles from the coast and the "buffer zone" along the border was reduced from 300 to 100 metres.⁴⁰

62. However, in October 2014 Israel reverted to enforcing the access-restricted areas in the same manner as it had before the summer offensive, by using lethal force (see A/HRC/28/45, para. 20).

Mobility restrictions in the West Bank

63. Obstacles facing Palestinian movement in the West Bank include physical and administrative restrictions.

64. In recent years, the Israeli authorities have gradually relaxed some of the movement restrictions within the West Bank. However, remaining restrictions continue to undermine livelihoods and access to basic services, hinder the ability of humanitarian organizations to deliver assistance and disrupt family and social life.⁴¹

65. "Barrier zones" surrounding the external boundaries of some of the settlements cover approximately 5,000 *dunams*,⁴¹ half of which encompass agricultural land privately owned by Palestinians. Palestinian farmers seeking to access their land need to have permits and coordinate their time of entry with the Israeli authorities.²

66. In general, access of Palestinians to East Jerusalem from other areas of the West Bank also remains subject to acquiring an Israeli permit.⁴² However, on

³⁸ The temporary mechanism is an agreement between the Israeli and Palestinian Governments, brokered by the United Nations in the aftermath of the Israeli offensive to enable reconstruction efforts in the Gaza Strip.

³⁹ Information received from the Food and Agriculture Organization of the United Nations (FAO).

⁴⁰ Gisha, The Gaza Cheat Sheet, January 2015.

⁴¹ 1 *dunam* = 1,000 m².

⁴² Information received from WHO citing Palestinian General Authority for Civilian Affairs office communication to WHO, 27 January 2015; WHO, "Crossing barriers to access health in the Occupied Palestinian Territory," available at http://www.emro.who.int/images/stories/palestine/documents/WHORTH_crossing_barriers_to_access_health.pdf?ua=1, accessed 29 December 2014.

12 March 2015, the Israeli authorities announced that the entry of Palestinian men over the age of 55 and women over the age of 50 with West Bank identification cards would be allowed without a permit into East Jerusalem and Israel on a daily basis through two main checkpoints.³⁴

67. Israel also retains control over crossings from the West Bank into Jordan and, by extension, the outside world. Between 13 June and 13 August 2014, at least 3,393 Palestinians who tried to cross the Allenby Bridge into Jordan were turned away by the Israeli authorities on security grounds. This is compared to 1,266 Palestinians who were turned away at the bridge throughout 2013.⁴³

68. During 2014, UNRWA reported a total of 142 access-related incidents resulting in a loss to UNRWA of an estimated 240 workdays or 1,799 work-hours. For six months in 2014 (June to November), the Israeli authorities further restricted the movement of UNRWA staff members into the "seam zone". From mid-September 2014, Israeli authorities changed access routes of United Nations and international organization trucks, further restricting and delaying the movement of humanitarian goods within the West Bank and to Gaza.⁴⁶

Exploitation, endangerment and depletion of Palestinian natural resources

Impact of the 2014 summer offensive on Gaza

69. The summer Gaza conflict exacerbated already precarious environmental conditions. Insufficient investment for reconstruction and rehabilitation following the different military offensives that occurred in 2008, 2012 and 2014 has had a cumulative environmental impact, much of which poses direct risks to public health.³⁵

70. The water situation in Gaza was already alarming before the offensive. Over abstraction of Gaza's only natural water source (the Coastal Aquifer Basin)⁴⁴ has led to, among other things, seawater infiltration. This, compounded with nitrate contamination and seepage of sewage, has left only 6.5 per cent of the water pumped from wells drinkable.¹⁴

71. During the Gaza conflict, 20 to 30 per cent of water and wastewater networks were damaged, affecting approximately 450,000 and 1 million people, respectively, whose access to related water and sanitation services was reduced as a result.⁴⁵

72. In addition, 202 wells, 57 km of main irrigation water carrier lines, 55 water reservoirs and 325 water collection ponds were destroyed along with 3,000 hectares of irrigation networks.³⁹

73. The Gaza conflict caused serious damage to Gaza's main sewage treatment plant. This threatens to introduce diseases caused by poor sanitation, as well as an environmental disaster linked with the discharge of raw sewage into the environment. The entire sewerage and sewage system are on the verge of collapse,

⁴³ Hamoked, Report on Human Rights Violations Perpetrated by Israel in the Summer of 2014, January 2015.

⁴⁴ United Nations Economic and Social Commission for Western Asia (ESCWA); Bundesanstalt für Geowissenschaften und Rohstoffe). 2013. *Inventory of Shared Water Resources in Western Asia*. Beirut.

⁴⁵ United Nations Children's Fund (UNICEF), State of Palestine Humanitarian Situation Report, 25 September 2015.

posing a severe threat to Gaza's groundwater resources. FAO has indicated that such damage will also make drinking water, which is already in short supply in Gaza, even more scarce.³⁵

74. Air pollution from fires resulting from the bombing and the remnants of explosive materials has a negative impact on health, alongside increased risks of contamination of water, air and soil. Children, older adults and those with heart or lung disease are most likely to be affected by this type of air pollution.³⁵

75. The heavy bombardment during the summer Gaza conflict resulted in the complete destruction of 1,035 hectares of fruit trees, 2,415 hectares of harvestable open field vegetables and 185 hectares of greenhouse vegetables. An additional 1,043 hectares of fruit trees, 447 hectares of harvestable open field vegetables and 390 hectares of harvestable protected vegetables were partially damaged. In addition, heavy soil damage was found in 3,450 hectares.³⁹

76. Forty per cent of poultry stock and 36 per cent of total productive livestock were destroyed. It is estimated that between 2010 and 2014, the number of sheep and goat herders fell by 22 per cent.³⁹

77. The tons of rubble, debris and pulverized building materials have potential adverse implications linked to the heavy metal impurities found in concrete, in addition to carcinogenic substances and other hazardous substances. It is estimated that 4 million tons of rubble were generated by the offensive and must be handled as hazardous waste.³⁵

Exploitation and endangerment in the West Bank

78. Palestinian public and private investments are forbidden in Area C in the West Bank, while Israeli settlers and corporations freely exploit natural resources in Area C, including marble, stone, building materials and Dead Sea minerals and salts.⁸

79. Israel retains nearly full control over water resources in the West Bank and utilizes discriminatory policies like the planning and zoning policies mentioned above. As an example, the daily share per capita of water consumption for Israelis reaches seven times that for Palestinians.⁴⁶ More than 70 Palestinian communities in Area C are not connected to the water network, and their residents rely on purchased water at vastly increased cost. The dire situation leads to water consumption rates in some of these communities as low as 20 litres per capita per day, one fifth of the 100 litres per capita per day recommended by the World Health Organization.⁴⁷

80. Since March 2014, tens of thousands of homes in Palestinian East Jerusalem neighbourhoods and refugee camps that are separated from the city by the wall have suffered from decreased water supply.⁴⁸

81. Mobility restrictions in the West Bank render an estimated 50 per cent of agricultural land therein inaccessible, hindering household and commercial production and decreasing jobs in this sector.²⁸

⁴⁶ See Palestinian Central Bureau of Statistics, available at www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_WWD2015E.pdf.

⁴⁷ Office for the Coordination of Humanitarian Affairs, Area C of the West Bank: Key Humanitarian Concerns Update August 2014.

⁴⁸ ACRI, Situation of Human Rights.

82. The Al-Minya landfill, a World Bank project built to meet 34 per cent of the West Bank's total Palestinian needs, has become a de facto landfill for waste generated by Israeli settlers, while Palestinians are prevented from using it.⁴⁸

83. The Gishori plant and other Israeli industrial installations in the Tulkarm area of the West Bank have raised environmental concerns, owing to the possibility that they may generate hazardous industrial pollution through the release of gas, liquid and solid emissions directly into the environment.⁴⁹

Socioeconomic conditions in the Occupied Palestinian Territory

Economic conditions

84. Even before the Gaza conflict last summer, the Palestinian economy was decelerating because of political uncertainty, continued fiscal problems of the Palestinian Government and the effects of the tunnel closure between Egypt and Gaza.⁴⁹

85. The pre-conflict situation in Gaza was particularly dire, with a humanitarian crisis gradually unfolding owing to the combined effects of recurring Israeli conflicts on top of the accumulated impact of an eight-year-long blockade. The closure of the Rafah crossing into Egypt, as well as the closing of the smuggling tunnels between Gaza and Egypt, exacerbated these dire conditions. Gaza's economy has been hollowed out not only by severe restrictions on exports and imports of raw materials and intermediate inputs, but also by the restrictions on cash transfers, which paralyze its banking sector.⁵⁰

86. As a result, real gross domestic product (GDP) in Gaza reached 2005 levels only in 2012, real GDP per capita remained below the 2005 levels even in 2014 and unemployment never fell below 25 per cent.⁴⁹

87. Fuel also became scarce, owing to insufficient storage capacity and the tunnel closures; the sole power plant in Gaza operates at half capacity. This has had an impact on the delivery of basic services, since many critical installations face power cuts of up to 18 hours daily.⁵¹ Along with the aforementioned deterioration in the water, sanitation and hygiene infrastructure and housing, living conditions in Gaza were at their worst since Israel occupied Gaza in 1967, which is why the impact of the military offensive was far more severe on the economy and the population in Gaza compared to all previous military developments.

88. As for the direct damage incurred during the Gaza conflict by economic institutions, the Palestinian Government reported that more than 20 per cent of Gaza's industrial enterprises and over 4,000 commercial and trade enterprises were destroyed or damaged.⁵² The total effect of the offensive on the agriculture sector was estimated at between \$450 million and \$550 million.⁵³

⁴⁹ International Monetary Fund, West Bank and Gaza: report to the Ad Hoc Liaison Committee, 12 September 2014.

⁵⁰ United Nations Centre for Trade and Development Trade and Development Board, Report on UNCTAD assistance to the Palestinian people: Developments in the economy of the Occupied Palestinian Territory, 7 July 2014.

⁵¹ See www.ochaopt.org/documents/ocha_opt_the_humanitarian_monitor_2014_02_25_english.pdf.

⁵² See The State of Palestine, The National Early Recovery and Reconstruction Plan for Gaza.

⁵³ Information received from FAO citing the Palestinian Ministry of Agriculture.

89. The international community pledged \$5.4 billion at a donor conference in October 2014 for the reconstruction and rehabilitation of Gaza. However, 30 international aid agencies issued a statement on 26 February 2015 warning that "little of the \$5.4 billion pledged in Cairo has reached Gaza".⁵⁴ For example, in January 2015, UNRWA was forced to suspend its cash assistance programme in Gaza for repairs to 100,000 damaged and destroyed homes of Palestine refugees and for rental subsidies to the homeless.¹⁶

90. In the West Bank, economic development remains constrained by a multilayered system of movement and access restrictions,⁵⁵ including restricted access to Area C (see above).

91. The International Monetary Fund (IMF) forecasts that uncertainty will continue to restrain economic recovery in 2015, caused in particular by the stifling blockade, the slower than expected reconstruction of Gaza and the Israeli tax revenues freeze,⁵⁶ which represents around two thirds of net revenues and is essential to the budget of the Palestinian Government and the Palestinian economy.⁵⁷

92. The unemployment rate in the fourth quarter of 2014 stood at 42.8 per cent in the Gaza Strip and at 17.4 per cent in the West Bank (20.5 per cent among refugees), reflecting the unfolding recession and the impact of the Israeli offensive on Gaza.⁵⁸

93. The employment situation in Gaza can be described as "hyper-unemployment", or consistently higher rates relative to neighbouring countries with similar cultural and demographic characteristics.⁵⁹

94. To make things worse, an estimated 17,200 persons lost their jobs because of the physical destruction of productive assets during the summer offensive against Gaza. That is equal to about 6.4 per cent of all employed persons and about 11.6 per cent of the private and non-governmental sectors' employed workforce in 2013.⁵⁹

95. While the latest available data on poverty date back to 2011 (39 per cent in Gaza and 18 per cent in the West Bank), it is almost certain that stunted economic performance coupled with the summer Israeli offensive in Gaza has exacerbated the poverty situation and pushed additional Palestinian families into poverty, particularly in Gaza.⁶⁰

96. Israeli constraints in general and mobility restrictions in particular have had a disproportionately high impact on Palestinian women because women are more vulnerable to Israeli measures enforced at checkpoints, settler violence and prolonged commutes to work locations. Consequently, Palestinian women suffer higher unemployment rates, and their participation in the labour force is very low. Despite significant female educational achievements, the majority of employable

⁵⁴ Joint statement by 30 international aid agencies: "We must not fail in Gaza", 26 February 2015.

⁵⁵ International Labour Organization, International Labour Conference, 103rd session, 2014, Report of the Director-General, Appendix, The situation of workers of the occupied Arab territories (Geneva, International Labour Office).

⁵⁶ Revenues collected by Israel on goods imported into the occupied West Bank and Gaza.

⁵⁷ IMF contribution, available at www.imf.org/external/np/sec/pr/2015/pr1524.htm.

⁵⁸ Palestinian Central Bureau of Statistics, press release on the results of the Labour Force Survey, (October-December, 2014).

⁵⁹ Information received from International Labour Organization (ILO).

⁶⁰ World Bank, Economic Monitoring Report to the Ad Hoc Liaison Committee, 22 September 2014.

Palestinian women (nearly 1.1 million) are outside the labour force. The situation of women in Gaza is particularly problematic, with women suffering from an unemployment rate of 59.3 per cent, reaching as high as 83.3 per cent among women between the ages of 15 and 29.⁶¹ In order to augment household income, many women have been forced to take unprotected, low-paying jobs close to home in the informal and unprotected sectors.⁸

Food security

97. Given the deteriorating economic situation, food insecurity in Palestine remained at very high levels in 2013, with one third of households (1.6 million people) considered food insecure and 16 per cent of households vulnerable to food insecurity.⁶²

98. Based on 2013 data, one year before the 2014 summer offensive, 57 per cent of Gazan households were food insecure, while 14 per cent of households (188,397 people) were vulnerable to food insecurity. In the West Bank, 19 per cent of households were food insecure; and in the refugee camps the level of food insecurity reached 29 per cent.⁶²

99. During the 2014 summer offensive, up to 71 per cent of the population in Gaza became food insecure, as prices of basic foodstuffs soared 40 and 179 per cent. In seven weeks, most Palestinians in Gaza could no longer meet their most basic needs.²⁸ Thus, UNRWA had to effectively support the entire population of the Gaza Strip.¹⁶

100. Almost 868,000 Palestine refugees depend on food aid from UNRWA. In 2000, less than 10 per cent (72,000 people) of the Gaza population relied on food assistance. The situation deteriorated rapidly with the inception of the blockade.¹⁶

Public health

101. Before the Gaza conflict, the health sector in Gaza was already in a dire situation. During the conflict itself, 17 hospitals and 56 clinics incurred damage;⁶³ 23 health workers were killed (16 while on duty); 83 were injured, the majority of whom were ambulance drivers; and 32 Palestinian Red Crescent Society ambulances were damaged or destroyed.⁶⁴ By March 2015, health services had only regained about two thirds of their functionality compared to the pre-offensive level.⁶⁵

102. On the eve of the Gaza conflict, drug and medical consumable shortages in Gaza reached over 28 per cent in essential drugs and 54 per cent of medical consumables were at zero stock.⁶⁶ A tracer study of 48 critical drugs showed that

⁶¹ Economic and Social Council for Western Asia, Social and Economic Situation of Palestinian Women and Girls, July 2012-June 2014, (2015).

⁶² See UNRWA, www.unrwa.org/newsroom/press-releases/food-insecurity-palestine-remains-high.

⁶³ Information received from WHO citing Health Cluster, Gaza Strip: Joint Health Sector Assessment Report, available at www.emro.who.int/images/stories/palestine/documents/Joint_Health_Sector_Assessment_Report_Gaza_Sept_2014-final.pdf?ua=1.

⁶⁴ International Committee of the Red Cross, Disaster Relief Emergency Fund operation: Final Report, Occupied Palestinian Territory: Complex Emergency.

⁶⁵ Information received from the United Nations Population Fund.

⁶⁶ See WHO, www.emro.who.int/images/stories/WHO_Gaza_donor_alert.pdf.

40 per cent were at zero stock at the district level and 46 per cent were at zero stock at the clinic level in June 2014.³⁷

103. Access to reproductive health services has also deteriorated as a result of the protracted blockade and the summer offensive on Gaza; 17 cases of maternal deaths have been recorded since July 2014, compared to 12 such cases throughout 2013.⁶⁵

104. The destruction of private homes, coupled with the inability to reconstruct some 5,000 housing units destroyed in previous military operations, has aggravated the severe shelter crisis in Gaza: some 100,000 people are currently displaced, with 12,000 of them hosted in UNRWA collective centres. Private shelters in the Gaza Strip are becoming increasingly overcrowded, particularly in refugee camps, where the highest population densities are reported. Compounded with substandard housing conditions and power cuts of up to 16 hours a day, overcrowding results in the deterioration of health and hygiene, which, in turn, heightens public health risks.¹⁶

105. Overall, the psychosocial stress caused by violence left 425,000 children in need of psychosocial support, including focused counselling in many cases.⁶⁷ An additional 60,000 children are in need of child protection services.⁶⁸

106. UNRWA school-based counsellors reported that refugee children in Gaza, especially boys, exhibit emotional and behavioural problems and academic underperformance, primarily as a result of psychosocial distress.¹⁶

107. In the West Bank, particularly in Area C, the ability of Palestinian institutions and their development partners suffer from the inability to construct basic health clinics. This forces communities to rely on expensive mobile clinic services for basic primary health care. Restrictions on the rehabilitation, repair and construction of basic water and sanitation infrastructure severely impede access to adequate water, sanitation and hygiene services in many communities, reducing their resilience and increasing their risk of displacement.³

108. The wall, checkpoints and settlement road networks hinder access to health care for the population in Area C, especially those in isolated communities. The entry of ambulances, mobile units and health personnel into restricted or marginalized areas is often obstructed or subject to permits and delays, jeopardizing patient health.⁴²

109. Refugee camps in the West Bank suffer from overcrowdedness and lack of adequate infrastructure. Out of 19 refugee camps in the West Bank, 5 camps show population densities of over 100,000 persons per km², and 6 camps have between 50,000 and 100,000 persons per square kilometre. Only half of them have an adequate sewerage network.¹⁶

⁶⁷ United Nations Children's Fund, Humanitarian Action for Children: State of Palestine, 2015, available at www.unicef.org/appeals/files/Final_2015_HAC_State_of_Palestine.pdf.

⁶⁸ UNICEF State of Palestine situation report, 21 August 2014.

Education

110. During the 51-day Gaza conflict, 26 schools were completely destroyed and 122 damaged,⁶⁹ 83 of which were UNRWA schools.¹⁶

111. UNRWA school buildings are being used as shelters and the continuously growing student population, about 87 per cent of the 252 UNRWA schools in the Gaza Strip, are operating on double or triple shifts (an increase from 71 per cent in 2013). As a result, refugee children in Gaza receive a severely truncated education and have little or no opportunity to engage in recreational or creative pursuits.¹⁶

112. In the West Bank restrictions on construction and rehabilitation permits have left the already insufficient number of Palestinian schools in a precarious state (see A/69/81-E/2014/13, paras. 105-111).

113. Palestinians students continue to suffer from practices of the Israeli military and settler attacks. Incidents involving schools almost tripled in the West Bank, including East Jerusalem, from 2013 to 2014, affecting nearly 25,000 Palestinian children.⁷⁰

III. Occupied Syrian Golan

114. Since 1967, Israel has continued to occupy the Syrian Golan, despite numerous resolutions of various United Nations bodies, including Security Council resolution 497 (1981), in which the Council deemed Israel's decision to impose its laws, jurisdiction and administration on the occupied Syrian Golan null and void, and called upon Israel to desist from the establishment of settlements and altering the demographic composition of occupied territory. Nevertheless, by 2014 there were approximately 21,000 Israeli inhabitants in 33 settlements and 20,000 Syrian citizens in 6 villages (see A/HRC/28/44, para. 54).

115. The role of the Israeli Government in supporting illegal settlement expansion in the occupied Syrian Golan is reflected in the funding from the State treasury of Israel through the Settlements Division of the World Zionist Organization. Approximately \$6.4 million of those funds were reportedly allocated to the northern district, which includes the occupied Syrian Golan (see A/69/355, para. 93), at a time when Syrian construction in Syrian villages continues without permits, despite restrictions. Syrians are forced to construct vertically, instead of horizontally, as they are not able to acquire additional land.⁵⁵

116. Israeli settlers enjoy disproportionate benefits in terms of water and agricultural resources (see A/69/355, para. 92), while Syrian residents continue to suffer from Israeli-imposed restrictions on access to such resources (see CCPR/C/ISR/CO/4, para. 17).

117. Syrian farmers have been allowed 200 cubic metres of water for every *dunam*, a quantity that is considerably lower than the minimum 600 cubic metres needed. Syrian farmers usually receive one fourth of the allocation granted to Israeli settlers. Furthermore, although Israeli settlements in the Golan do not suffer from lack of

⁶⁹ United Nations Educational, Scientific and Cultural Organization, Rapid Assessment of Higher Education Institutions in Gaza, citing the Multi-Cluster/Agency Initial Rapid Assessment.

⁷⁰ See Office for the Coordination of Humanitarian Affairs, press release, 26 February 2015.

water, the Israeli authorities informed Syrian farmers that there would be a 50 per cent reduction in their water allocation.⁵⁵

118. In 2014 Israel reportedly approved the development of 30,000 *dunums* of land in the occupied Syrian Golan, including the establishment of farming estates and investment in agricultural training, upgrades of water systems and landmine clearance, to the benefit of Israeli settlers (see A/69/355, para. 92).

119. Israel's tight control of the labour force and entrepreneurial activity continues to frustrate any search for healthy economic and social interaction for Syrian workers. Neither workers nor entrepreneurs can engage in decent work, and full respect for fundamental principles and rights at work remains elusive.⁵⁵

120. In addition to land and water, Israel continues to exploit natural resources in the occupied Syrian Golan, including gas and oil (see A/HRC/25/38, para. 48). Israel granted the United States-based company Genie Energy a licence early in 2013 to explore for oil and gas in a 153-square-mile radius in the southern part of the occupied Syrian Golan. The company continues prospecting for oil through a local subsidiary in the occupied territory (see A/69/355, para. 94).

IV. Conclusion

121. Israel continues to employ measures and practices that entail violations of international humanitarian law and international human rights law. Concerns have been mounting regarding some of these measures and policies, particularly regarding the violations of the principle of non-discrimination and the right to self-determination.

122. Such policies include the illegal settlement enterprise, collective punishment and disregard for human life and dignity, which affect all aspects of Palestinian society and economy. They also undermine the prospects for peace and entail violations of international law.

123. Israel must end its occupation and comply with international law and legitimacy. There are no prospects for peace unless this happens. The failure of the international community to expedite this outcome will only increase the suffering.

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Implementation of and follow-up to major
United Nations conferences and summits:
review and coordination of the
implementation of the Programme of
Action for the Least Developed Countries
for the Decade 2011-2020**

**Implementation of the Programme of Action for the Least
Developed Countries for the Decade 2011-2020****Report of the Secretary-General***Summary*

The present report is submitted pursuant to General Assembly resolution 69/231 and Economic and Social Council resolution 2014/29, in which the Secretary-General was requested to submit a progress report on the implementation of the Programme of Action for the Least Developed Countries for the Decade 2011-2020 (Istanbul Programme of Action). In resolution 69/231, he was also invited to report on progress made towards including the implementation of the Istanbul Programme in the agenda of the United Nations System Chief Executives Board for Coordination.

* A/70/50.



I. Introduction

1. Four years ago, the global community gathered in Istanbul, Turkey, from 9 to 13 May 2011, at the Fourth United Nations Conference on the Least Developed Countries and adopted the Programme of Action for the Least Developed Countries for the Decade 2011-2020 (Istanbul Programme of Action). The Programme of Action was framed as a compact between the least developed countries and their development partners and geared towards achieving sustainable development, poverty eradication and structural transformation in the least developed countries. Eight priority areas of action, underpinned by 47 goals and targets to be achieved by 2020, define the compact (see A/67/88-E/2012/75 and Corr.1). The Istanbul Programme of Action also makes some provisions for follow-up and monitoring mechanisms. The present report is one such mechanism.

2. Section II of the report provides an overview of the recent performance and prospects of the least developed countries. Section III assesses the rate of progress towards achieving the goals and targets of the Istanbul Programme of Action. Section IV reports on actions by least developed countries, development partners and other stakeholders, including by the United Nations system, in advancing the implementation of the Programme of Action. Section IV also contains a narrative on preparations for the comprehensive high-level midterm review of the Istanbul Programme of Action, on progress towards graduation and on South-South cooperation. Section V concludes and offers some policy recommendations aimed at scaling up the implementation of the Programme of Action.

II. Recent performance and near-term prospects

3. Recent developments in many least developed countries echo two distinguishing features of growth dynamics in that group of countries: the relatively low pace of economic expansion given their level of development and growth potential, and the volatility of such expansion.

4. The gradual economic rebound that has been under way in many least developed countries since 2013 was halted in 2014. Reflecting that development, gross domestic product (GDP) growth for the group decelerated to 5.1 per cent in 2014, down from 5.4 per cent posted in 2013. An important manifestation of the deceleration in the pace of economic growth is a reduction in the number of economies of least developed countries that advance by 7 per cent or more, which is the GDP growth target of the Istanbul Programme of Action. Ten least developed countries grew at a speed close to and more than that target in 2014, compared with 13 in 2013. That performance falls short of the level required to significantly improve economic and social conditions in the least developed countries.

5. The deceleration of economic growth in many least developed countries was the by-product of a set of national, regional and international factors. Dragged down by declining oil prices, temporary reduction in oil production and a slowdown in agricultural output growth, the economy of Angola, which is the second largest among the least developed countries, advanced at a slower pace than in 2013. GDP growth of the Sudan was also limited owing to continued adjustment to the significant reduction in oil production and fiscal revenues following the independence of South Sudan. The severe floods that affected parts of Solomon

Islands, combined with the closure of the country's gold mine, conspired to depress its GDP growth. The most emblematic of all growth decelerations in 2014 were, however, those recorded in the countries most affected by Ebola (Guinea, Liberia and Sierra Leone), and in South Sudan. GDP growth slowed considerably in Guinea, Liberia and Sierra Leone as farms were abandoned; mining operations were stopped; travel restrictions and the closing of borders limited the movement of goods, services and people; and investments were put on hold or cancelled. Disruptions in oil production and exports caused by protracted civil conflict and a fall in agricultural output driven by adverse weather conditions also resulted in a severe contraction of economic activity in South Sudan in 2014.

6. A number of least developed countries, although not in a deceleration cycle, remained mired in prolonged slow growth. That was particularly the case for the Comoros, Guinea-Bissau, Kiribati, Tuvalu and Vanuatu, all of which are small island developing countries. Underlying the sluggish growth rate in those countries are, among other things, their narrow production and export bases and greater exposure to exogenous shocks.

7. Consistent with patterns of previous years, growth rates were not uniformly distributed across the least developed countries. The growth story told by that group of countries in 2014 was not one of economic stagnation, contraction and deceleration only, although those weighed significantly on the aggregate GDP growth for the group. A few economies of least developed countries continued to display signs of remarkable strength even in the face of a frail international economic environment. Ethiopia, the Lao People's Democratic Republic, Mozambique, Myanmar and the United Republic of Tanzania maintained stellar growth rates similar to those sustained prior to and after the adoption of the Istanbul Programme of Action. The common thread running through the experiences of those countries was the broad nature of their economic expansion, in particular the growing dynamism in sectors other than agriculture, such as construction, services and manufacturing and/or the extractive industries. Those growth experiences were supported by large public sector investment in infrastructure development and strong foreign direct investment (FDI), both of which enhanced productive capacity. Growth in Bangladesh, the largest economy in the group, continued to be robust, helped by strong domestic demand.

8. Looking ahead, aggregate GDP growth for the least developed countries is expected to level out in the short run, reaching 5.9 per cent in 2015, up from the 5.1 per cent estimated in 2014. The improvement in the group's economic growth reflects in part expectations for an improved security situation in the Central African Republic, Mali and South Sudan, a return to the pre-2014 level of oil output in Angola and large foreign-financed infrastructure projects in Solomon Islands, all of which are buoying economic activity in those countries. Elsewhere across the least developed countries, growth is expected to display similar features as in 2014.

9. The overall strength and breadth of the expected economic revival in 2015 seems modest, however, particularly in view of the numerous development challenges before the least developed countries. Worse still, the outlook for 2015 is subject to risks, with negative weighting. One of those risks pertains to the economic outlook in the economic partners of least developed countries, particularly in emerging economies such as China and India, which will influence the demand and price for exports and the volume of FDI flows channelled to the countries. The

same holds true for the economic conditions in traditional development partners, which also determine the pace of the group's exports growth, tourism receipts, remittances and official development assistance, and therefore of least developed countries short-term growth prospects. Another risk relates to the security situation, particularly in the Sahel, as well as political uncertainties. The recent Ebola outbreak, although subsiding, poses a threat to growth and development in a number of African least developed countries. Adverse weather and climate conditions could also depress agricultural output and slow activity in other sectors, thereby constraining economic growth more than expected.

10. The risks and uncertainties associated with the outlook and the persistent pattern of relatively weak and volatile economic growth are symptomatic of the limits to the production structures of the least developed countries and their extreme structural vulnerability to shocks. Lessons from success stories in a few least developed countries and from emerging countries suggest that those challenges can be effectively addressed through productive capacity-building and structural transformation.

III. Progress on the implementation of key priorities of the Istanbul Programme of Action

11. Of the eight priority areas for action of the Istanbul Programme of Action, building productive capacity has the most far-reaching impact on the other seven priorities. Productive capacity is not measured solely through the success with which productive assets are built but also through dynamic structural changes taking place in the economy. Those changes include increased labour productivity, which should lead to more decent jobs, sustainable and inclusive economic growth and economic diversification, in particular through a growing range of higher value-added and technology-oriented goods and services.

A. Productive capacity-building

12. Changes in the sectoral composition of GDP, particularly in favour of sectors with higher productivity, have been much slower in many least developed countries than in other developing countries. The share of manufacturing in least developed countries declined slightly from an average of 10.3 per cent in 2001-2010 to 9.6 per cent in 2011-2013.

13. A major drag on building productive capacity across the least developed countries was low investment rates. Gross capital formation as a percentage of GDP rose only modestly, from an average of 21.4 per cent in 2001-2010 to 24.5 per cent in 2011-2013. By comparison, the investment rate of China averaged 35 per cent in the 1980s, when its per capita income was comparable to that of the least developed countries today.

Infrastructure

14. The expansion of the mobile telephony industry continued to be remarkable. Over 56 per cent of the population of the least developed countries subscribed to mobile/cellular telephone services in 2013 compared with only 49 per cent in 2012.

The Gambia reached a 100 per cent subscription rate for the first time in 2013, joining Cambodia, Mali and Mauritania, where the rate exceeds 100 per cent. By contrast, Eritrea, Kiribati and Myanmar had cellular subscription rates below 20 per cent. However, even in countries that did relatively well, important rural-urban disparities remain and need to be bridged.

15. The rate of Internet usage continued to be marginal. The highest rates were found in Bhutan, Sao Tome and Principe, the Sudan, Senegal, Tuvalu and Yemen, where 20 per cent or more of the population had access to the Internet in 2013. At the other end of the spectrum, fewer than 2 in 100 people had access to the Internet in Burundi, Eritrea, Ethiopia, Guinea, Myanmar, the Niger, Sierra Leone, Somalia and Timor-Leste.

16. Access to broadband was very low in the least developed countries. As at September 2013, over 90 per cent of the population of the least developed countries were without broadband access.¹ Least developed countries therefore continued to miss out on opportunities for promoting social and economic development, enhancing governance through improved transparency, increasing access to learning and health care and empowering women, girls and boys, as well as lowering retail prices.

17. In recognition of the interconnection and interaction among all modes of transport, and their bearing on economic growth and development, the Istanbul Programme of Action set a target for substantial increases in combined rail and paved road mileage and sea and air networks by 2020. An initiative to build a new East Africa railway connecting Burundi, Kenya, Rwanda, South Sudan and Uganda was launched in 2014. Other new initiatives in 2014 included railways connecting Ethiopia and Djibouti, the Chad railway network and extending the railway linking China to Bhutan, India and Nepal. Some projects have been completed, including the Benguela railway connecting Angola, the Democratic Republic of the Congo and Zambia. The overall length and conditions of the railway networks in many least developed countries, however, still lag far behind those of other developing countries.

18. Road networks and conditions continued to improve, although not at the pace required to make a significant impact. Sections of regional highways in Africa and Asia are under construction. Despite those improvements, many transport corridors continued to display missing links, especially in least developed countries in Africa.

19. The volume of freight air transport volume has more than doubled and the number of air passengers has tripled in the least developed countries from 2000 to 2013. However, the volume was still a fraction of that of all developing countries. Air connectivity could be further expanded if the stock of physical infrastructure were refurbished and expanded, institutional and regulatory frameworks under which the industry is operating were strengthened and safety conditions were improved.

20. The Liner shipping connectivity index, which is a good measure of maritime connectivity, points to an improvement in the least developed countries, increasing from 8.1 in 2013 to 9.0 in 2014. Major constraints to maritime connectivity remain across the least developed countries, however, and increasing maritime piracy off the coasts of East and West Africa thwarted maritime traffic and discouraged trade.

¹ Broadband Commission for Digital Development, *The State of Broadband 2014: Broadband for All* (Geneva, 2014). Available from <http://www.broadbandcommission.org/documents/reports/bb-annualreport2014.pdf>.

Energy

21. Only one in three people in least developed countries is connected to a power supply, a percentage varying widely from 1.5 per cent in South Sudan to 76.3 per cent in Nepal and between urban and rural areas.

22. Some success stories include large-scale investments in expanding the power infrastructure in some countries and some small hydroelectric and biomass projects. Renewable energy is also at the core of many rural electrification programmes currently being pursued in many least developed countries.

23. Factors leading to such progress included a widening of the sources of finance for the energy sector as well as stronger public-private partnerships, such as the Secretary-General's Sustainable Energy for All initiative, which promotes partnerships among governments, business and civil society. Improved governance enabling institutional regulatory frameworks and support for bankable energy projects will be required to attract additional investment to the sector.

Science, technology and innovation

24. FDI inflows, the payment of royalties and licensing fees, capital goods imports and trade in high-technology products are some of the most common channels through which technology is acquired and used and innovation is fostered. However, those channels do not operate fully in the least developed countries owing to the expense of such transactions.

25. Furthermore, public resources earmarked to research and development are marginal, as is the number of scientists. Expenditure on research and development averaged only 0.2 per cent of GDP. The ratio of researchers in research and development per million people is as low as 5.9 in Lesotho and as high as 361.3 in Senegal.

26. The flexibilities offered by the intellectual property rights regimes of the World Intellectual Property Organization and the World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights are not fully utilized, in part because of their temporary nature and the loose monitoring of their compliance.

27. The proposal by the Secretary-General of a technology bank dedicated to the least developed countries, comprising a patent bank, a science, technology and innovation mechanism and a science and technology research depository, is expected to help address challenges related to technological acquisition and innovation in least developed countries. A high-level panel on the feasibility of a technology bank for least developed countries met in Gebze, Turkey, on 16 and 17 February 2015, and agreed to prepare a feasibility study for the establishment of a technology bank and a science, technology and innovation supporting mechanism dedicated to the least developed countries.

Private sector development

28. Many least developed countries continued to pursue institutional and regulatory reforms geared towards fostering private sector development. As a result of those reforms, Benin, the Democratic Republic of the Congo, Senegal and Togo rank among the top 10 countries in the world in terms of having eased obstacles

associated with the creation and running of businesses.² Some of those reforms were pursued in the context of regional initiatives, such as that of the Organization for the Harmonization of Business Law in Africa.

29. Obstacles to further progress included the large size of the informal sector, the limited growth potential of small enterprises resulting in a limited number of medium-sized firms and persistently low productivity. Unlocking the development potential of the private sector will require a more comprehensive approach, building on existing reforms while strengthening the productive capacity of firms, especially small and microenterprises.

B. Agriculture, food security and rural development

30. The prevalence of undernourishment in least developed countries decreased from 28.6 per cent in 2009-2011 to 27.5 per cent in 2012-2014, but the number of chronically undernourished rose, reaching 246.7 million in 2012-2014. That makes the least developed countries home to 30 per cent of the global population living with hunger, while accounting for only 12 per cent of the world population. A good indication of the magnitude of the challenges before the least developed countries is the scorecard of progress towards halving the number of chronically underfed people based on levels in 1990. In 2014, only Djibouti, Mali, Myanmar and Sao Tome and Principe met the target of halving the number of chronically underfed people based on levels in 1990.

31. The majority of households in least developed countries are in rural areas and rely on low-productivity and subsistence agriculture as their main source of employment and living. Low productivity implies weak purchasing power, limited access to food and the exposure of countries that are net food importers to price fluctuations in international markets. Significant nutritional imbalances in diets, particularly lack of proteins, vitamins and other nutrients, also result in a high prevalence of malnutrition even in some least developed countries that have made inroads towards reducing hunger.

32. Addressing food and nutrition security involves enhancing governance for food security and improving labour productivity, such as through the use of adequate technologies and farm management practices and by addressing issues related to access of small farmers and women to land, credit and extension services. The complex nature of the problems requires a holistic and multi-stakeholder approach targeting agricultural production and productivity, rural development, resilience-building, education and health, public works, trade and markets.

C. Trade

33. Despite declining commodity prices, exports of goods and commercial services of the least developed countries totalled \$250.0 billion in 2013, a growth of 5.3 per cent compared with only 0.6 per cent in 2012. Imports of goods and commercial services amounted to \$310.6 billion in 2013, a growth of 6.6 per cent in 2013 compared to 9.2 per cent in 2012. Increased trade flows in least developed countries in 2013 were driven by significant increases in volumes, which were the

² World Bank, *Doing Business 2015: Going Beyond Efficiency* (Washington, D.C., 2014).

strongest since 2008. In real terms, exports are estimated to have risen by 8.8 per cent whereas imports rose by 9.4 per cent, widening trade deficits. The persistent deficit in current accounts is a major challenge for least developed countries.

34. The share of least developed countries in world trade rose marginally, from 1.13 per cent in 2012 to 1.14 per cent in 2013. With seven years remaining before 2020, the year for which a goal was set to increase the share to 2 per cent, least developed countries exports will have to expand by more than double the pace of expansion of world exports if that target is to be met.

35. Limited productive capacities and export structures dominated by primary commodities block the needed export dynamism that exports of non-primary goods and higher value-added and technology services require. Even in countries that made progress in manufactured goods exports, textile products accounted for much of those exports. Exports of services increased strongly, although from a low basis, and have become more diversified, with computer and information services growing by 24 per cent in 2013, which is the strongest expansion in the industry. The limited product diversification of least developed countries exports contrasted with the geographical broadening of trade destinations, with developing countries receiving 55 per cent of exports in 2013 compared with 52 per cent in 2012.

36. Progress in granting duty-free, quota-free market access to least developed countries was limited during the period under consideration. Chile and China extended duty-free, quota-free treatment for least developed countries to 99.5 and 97.0 per cent of their tariff lines, respectively. Average tariffs on exports from least developed countries have also declined significantly, but as tariffs on exports from other developing countries also declined, the marginal tariff preferences enjoyed by least developed countries over other developing countries shrank, particularly for manufacturing products.

37. Least developed countries also face high trade costs associated with poor inland transportation infrastructure and, for landlocked least developed countries, cross-border bottlenecks. Those costs further undermined the competitiveness of their exports and increased the costs of their imports.

38. The agreements in the "Bali package" resulting from the Ninth Ministerial Conference of the World Trade Organization, held in Bali, Indonesia, from 3 to 6 December 2013, relating to least developed countries need to be implemented, with further refinements needed for the 15-year service waivers and the rules of origin. The waivers should cover services by natural persons, as categorized under mode 4 of the General Agreement on Trade in Services, in which the least developed countries have comparative advantage. Developed-country WTO members need to improve existing duty-free, quota-free product and country coverage. Evidence suggests that achieving the Doha Round objective of full duty-free, quota-free coverage remains a valuable goal for the least developed countries group, as the exclusion of even a relatively small number of products has an impact on exports, given the concentration of individual least developed countries in a narrow range of products. Setting voluntary guidelines on rules of origin is important but not sufficient, as that leaves it to the discretion of the preference-extending country to abide by them or not.

D. Commodities

39. The commodity boom of the late 2000s further deepened the dependence of most least developed countries on primary commodities. Despite softening commodity prices, the share of primary commodities, precious stones and non-monetary gold as a percentage of least developed countries total merchandise exports stood at 77 per cent in 2014, similar to the mid-2000s.

40. A few least developed countries, however, made major strides towards structural transformation, increasing the importance of manufacturing and services in their economies by increasing the number of goods and services produced and exported and through upgrading their quality. Countries such as Bangladesh, Cambodia, Ethiopia, Mozambique and the United Republic of Tanzania are cases in point, but still face the need to nurture and consolidate the progress made in diversification and to enable major players in the global textile industry to move up the ladder towards higher value-added and technology-oriented content and make their performances sustainable.

E. Education and training

41. Net primary enrolment in least developed countries increased from 83 per cent in 2010 to 84 per cent in the period 2011-2013, though progress in completion rates of primary schooling was slow. An increasing number of children were enrolled in primary education, and gender parity at that level of education was achieved in some of the least developed countries.

42. The rate of enrolment in secondary education in the least developed countries increased moderately but was still low at 43 per cent, compared to 69 per cent in all developing countries. However, class sizes have decreased somewhat in both primary education, from 46 pupils per teacher in 2010 to 43 in the period 2011-2013, and secondary education, from 28 to 26 pupils per teacher. Factors hindering further progress included the limited qualifications of teachers and the inadequacy of classroom equipment.

F. Population and primary health

43. As a result of investments in health infrastructure and national health systems, improved nutrition and care for children and their mothers, increased access to reproductive health care and expanded immunization campaigns, progress was made in reducing child mortality rates in most of the least developed countries, though not at a rate sufficient to achieve the Millennium Development Goal target of a two-thirds reduction from 1990 levels. On average, mortality of children under the age of 5 in the least developed countries was still much higher than in other developing countries at 81 deaths per 1,000 live births in 2013. Bangladesh, Ethiopia and Liberia met the target and 14 other least developed countries reduced child mortality rates by 60 per cent or more.

44. Most least developed countries are not expected to meet the Millennium Development Goal target of a three-quarter reduction in maternal mortality rate from 1990 levels, although Bhutan, Equatorial Guinea and Nepal have already met

the target. Their progress is partly the result of large increases in the proportion of births attended by skilled health personnel in those countries.

45. The prevalence of HIV as a percentage of the population aged 15-49 in the least developed countries declined marginally from 2.0 per cent in 2010 to 1.9 per cent in 2013. Lesotho, Malawi, Mozambique and Zambia still had prevalence rates in excess of 10 per cent. Mortality rates due to AIDS declined, owing to greater access to antiretroviral drugs which were available to 58 per cent of the population in least developed countries in 2012. Cambodia exceeded 95 per cent coverage, while Rwanda and Zambia exceeded 80 per cent. Some progress was also made in reducing the number of malaria and tuberculosis cases, but with 192 and 231 new cases per 1,000 people in 2012, respectively, least developed countries still had some of the highest rates in the world.

G. Youth development

46. Least developed countries in general have a higher fertility rate, and therefore attach greater importance to youth employment. People under the age of 25 comprise 61 per cent of the population of least developed countries, which is one of the highest rates in the world.

47. The literacy rate among young persons aged 15-24 rose from 70 per cent in 2000-2009 to 77 per cent in 2010-2012, with female youth literacy converging with that of male youth. However, more literate youth were unemployed in 2013, with more than 10 per cent of the population aged 15-24 unemployed in 24 least developed countries.

48. Limited education, lack of working skills and high youth unemployment contributed in turn to considerable youth underemployment and low-income self-employment, often in the informal sector. Employment-to-population ratios for youth aged 15-24 were considerably and consistently lower than those for the population as a whole across the least developed countries.

H. Shelter

49. The shortfall of adequate housing in the least developed countries is partly the result of increased demand due to the rapid pace of population growth as well as the needs of refugees and internally displaced people in countries during and after conflict. It is also due to inadequate supply of affordable housing resulting from high construction costs, insufficient finance for housing and insecure land tenure rights.

50. The lack of adequate shelter is especially acute in urban areas. The high prevalence of slums is related to problems such as lack of access to improved drinking water and improved sanitation, insecure tenure, non-durable housing and overcrowding. Of the 25 countries where over 50 per cent of the urban population lives in slums, 19 were least developed countries. Three out of four people living in urban areas in the Central African Republic, Chad, Ethiopia, Madagascar, Mozambique and the Niger were slum dwellers.

51. One of the reasons for the problems experienced in unplanned urban areas is an insufficient allocation of space to streets. A recent study using geographic

information systems found that less than 15 per cent of land in many African cities, including in African least developed countries, is dedicated to streets, compared to the recommended 25-30 per cent necessary to allow for basic water and sanitation systems to be accommodated.³ The problem was even more severe in suburban areas, which often have less than 10 per cent of land allocated to streets, leading to widespread and unplanned urban settlements.

I. Water and sanitation

52. The proportion of people in least developed countries without access to safe drinking water decreased from 49.9 per cent in 1990 to 34.1 per cent in 2012, while the proportion of people without access to basic sanitation decreased from 80.9 per cent in 1990 to 63.9 per cent in 2012, meaning the least developed countries are unlikely to meet the Millennium Development Goal target of halving the 1990 proportion by 2015.

53. Access to improved drinking water in the least developed countries increased from 59.4 per cent in 2005 to 65.9 per cent in 2012, with Bhutan, Sao Tome and Principe and Tuvalu achieving near universal access. Large urban-rural differences persisted, however, with an access rate in 2012 of 83.7 per cent in the former, compared to only 58.7 per cent in the latter. By contrast, only a little over a third of the population in least developed countries had access to basic sanitation facilities in 2012, with 30.8 per cent in rural areas and 47.3 per cent in urban areas.

54. The uneven distribution of access to improved drinking water and basic sanitation has serious impacts on health, education and environmental outcomes. It also negatively impacts progress towards gender equality, given that women and girls often carry the burden of collecting water.

J. Gender equality and the empowerment of women

55. Over one third of the least developed countries have already met the target of gender parity in primary education, with 12 countries exceeding it in 2011-2012. The situation also improved in secondary education, with Bhutan, Bangladesh, Lesotho, Rwanda and Sao Tome and Principe all exceeding the parity target in 2011-2012. Parity in tertiary education, however, was still a challenge, with the percentage of female students rising only moderately from 36 per cent in 2009-2010 to 38 per cent in 2011-2012.

56. In spite of those gains, the specialized training of most female students and insufficient policies and practices affecting work and family implied that most women continue to work in the informal sector. In 2013, 10 least developed countries had employment-to-population ratios of less than 50 per cent for women. In addition, as in many other countries, the very limited access by women to productive assets such as land and capital and the persistence of violence against women and girls restrict the contribution of women to development.

57. The political representation of women, however, showed continuing signs of improvement, especially in parliaments. The percentage of women in parliaments

³ *Millennium Development Goals Report 2014* (United Nations publication, Sales No. E.14.I.10).

more than doubled from 9.2 per cent in 2001 to 21.3 per cent in 2014. Women hold a third or more of parliamentary seats in Angola, Mozambique, Rwanda, Senegal, Timor-Leste, Uganda and the United Republic of Tanzania. Of the nine countries that posted the greatest increase in women's representation in parliaments in 2013, two are least developed countries (Equatorial Guinea and Togo). Part of the progress was the result of legislated quotas for women's representation in national parliaments.

K. Social protection

58. Formal safety nets deployed by many least developed countries include schemes focusing on continued access to basic services, reducing income and consumption poverty and promoting household investments in human capital to decrease intergenerational poverty. Some cash or in-kind transfers are conditional on children's school attendance, such as the Education Sector Support Programme in Cambodia or the Nationwide Female Stipend Programme in Bangladesh. Nepal enacted several cash transfer programmes in the areas of pensions, child grants and single women's allowances.

59. Some least developed countries use income generation schemes for social protection, designed to provide cash or in-kind remuneration of workers through wage employment or to maintain public infrastructure such as roads, flood control barriers and conservation measures. Bangladesh and Ethiopia both used public work programmes to generate cash wages for workers, including the Rural Employment Opportunities for Public Assets programme in the former, and the Productive Safety Nets Programme in the latter.

L. Economic shocks

60. Many least developed countries have been increasingly economically vulnerable since 2010 owing to an increased magnitude of and further exposure to shocks coupled with a limited ability to withstand them. Declining commodity prices have caused export receipts and government revenues to decline and current-account and fiscal balances to deteriorate. In least developed countries with managed-float or fixed exchange rate regimes, part of the enlarged current-account balances were financed through drawing on foreign exchange reserves.

61. Furthermore, the ratio of total reserves to external debt increased, and debt service as a percentage of exports of goods and services has levelled off since the adoption of the Istanbul Programme of Action. Weakened macroeconomic buffers such as foreign exchange reserves have made the positions of least developed countries worse than before the global economic and financial crisis. With fiscal positions much weaker than in 2010, those countries are also less likely to mount effective fiscal stimuli in the event of major macroeconomic shocks.

62. Building resilience to shocks will be mostly achieved through promoting economic diversification and transformation in the medium term. In the short run, global countercyclical financing is essential. Significant progress in that regard since the global crisis has included considerable global reforms within international financial institutions leading to expanded countercyclical financing, and reform and renewal of related facilities. Concomitantly, regional and bilateral central bank

liquidity swaps have increased. However, most of the initiatives have targeted mostly middle-income countries compared to least developed countries or have bypassed least developed countries altogether. There is a need for designing additional and effective countercyclical financing and shock facilities for least developed countries and strengthening existing ones, although not at the cost of reduced long-term and concessional financing for productive capacity and infrastructure development.

M. Climate change and environmental sustainability

63. During the period 1980-2013, reports have come out that the least developed countries suffered 1.3 million climate-related deaths, accounting for 51 per cent of global casualties, although they are home to only 12 per cent of the world population.⁴ The situation has worsened in recent years, with deaths associated with climate-related disasters in the least developed countries comprising 67 per cent of the world total.

64. Virtually all least developed countries have designed national adaptation programmes of action through multi-stakeholder processes. By doing so, those countries also set priorities that required immediate action. Some of the least developed countries went further by formulating national low-carbon resilience plans and strategies.

65. The total resources pledged to the Least Developed Countries Fund, established to assist least developed countries in the preparation and implementation of national adaptation programmes of action, reached \$934.74 million in February 2015. So far the Least Developed Countries Fund has financed the preparation of 51 national adaptation programmes of action, of which 50 have been completed, and has approved the funding for 161 national adaptation implementation projects and for programmes in 49 least developed countries.⁵ However, available resources for new funding approvals are limited and least developed countries have not been able to completely implement national adaptation programmes of action as a result of inadequate funding and limited capacities. Tuvalu, for example, is currently implementing a national adaptation programme, but the process is hampered by capacity constraints and limited access to climate change financing.

66. Commitments pertaining to climate finance have yet to be fulfilled. Between 2011 and November 2013, less than \$4 billion was channelled to the least developed countries from developed countries to support their adaptation efforts, compared to the estimated global adaptation costs of between \$86 billion and \$109 billion required annually by 2015.

67. Deforestation is another environmental concern which has negative impacts on biodiversity and clean water and increases the erosion of soil and the release of carbon into the atmosphere. Forests are also economic assets, which when lost endanger the opportunities of livelihood in rural communities. The proportion of

⁴ David Cipler and others, "A burden to share? Addressing unequal climate impacts in the least developed countries", IIED Briefing Papers (International Institute for Environment and Development, November 2013).

⁵ Forty-nine out of 50 least developed countries that received financial support completed their national adaptation programmes of action, including Cabo Verde and Maldives, which graduated from the least developed countries category in 2007 and 2011, respectively, according to the secretariat of the United Nations Framework Convention on Climate Change.

land covered by forests in the least developed countries decreased from 28.2 per cent of total land area in 2000 to 26.3 per cent in 2012. Of the 47 least developed countries for which data were available, only Bhutan, the Gambia, Lesotho and Rwanda experienced significant afforestation or natural expansion of forests between 1990 and 2012.

N. Disaster risk reduction

68. The least developed countries continued to face a higher risk of significant losses as a result of disasters. They not only face extreme shocks but also are very much exposed to those shocks. Estimates from the *Global Assessment Report on Disaster Risk Reduction 2015* global model suggest, for example, that Madagascar and Mozambique would have difficulties in absorbing the impact of a 1 in 3-25-year loss (i.e., a disaster that has a chance of occurring once in 3 to 25 years), compared with Canada and the United States of America, which would only face challenges in absorbing the impact from a 1-in-500-year loss. In an agriculture-dominated country such as Malawi, a drought would cause an estimated annual loss equivalent to 1 per cent of GDP as well as result in an additional 2.1 million people falling below the poverty line.⁶

69. The nine least developed countries which are also small island developing States face an existential threat from natural disasters. Compared to Central Asia and Europe, the estimated annual loss of capital stock is 20 times higher for small island developing States. Estimated annual losses for small island developing States are also equivalent to nearly 20 per cent of their total social expenditures, compared with less than 1 per cent in Europe or Central Asia. The unprecedented floods that hit Solomon Islands in April 2014 damaged infrastructure, housing, water and sanitation facilities and agricultural output, causing economic loss equivalent to 4.7 per cent of GDP.⁷ Cyclone Pam, which struck Vanuatu in March 2015, has resulted in the destruction of up to 80 per cent of homes on Tanna island as well as a reduction in access to clean water, and is likely to cause a setback to the country's recent development gains. The earthquake that hit Nepal in April 2015 affected 8 million people, and its impact on agriculture-based livelihoods and food security is expected to be extremely high.

70. Important institutional changes relating to disaster reduction management took hold in many least developed countries, in particular with those countries paying growing attention to a holistic approach instead of merely an ex post disaster response. Of the 34 countries that reported integrating disaster risk reduction into their national development plans under the Hyogo Framework for Action 2005-2015: Building the Resilience of Nations and Communities to Disasters, eight were least developed countries (Burkina Faso, Ethiopia, the Lao People's Democratic Republic, Mauritania, Nepal, Solomon Islands, Vanuatu and Zambia).⁸ A follow-up framework was adopted at the Third United Nations World Conference on Disaster

⁶ United Nations, *Global Assessment Report on Disaster Risk Reduction 2015: Making Development Sustainable — The Future of Disaster Risk Management* (Geneva, 2015).

⁷ International Monetary Fund, *Solomon Islands*, IMF Country Report No. 14/170 (Washington, D.C., June 2014).

⁸ United Nations, *Progress and Challenges in Disaster Risk Reduction: A Contribution towards the Development of Policy Indicators for the Post-2015 Framework on Disaster Risk Reduction* (Geneva, 2014).

Risk Reduction, held in Sendai, Japan, from 14 to 18 March 2015. The Sendai Framework for Disaster Risk Reduction 2015-2030 addresses the disaster risk situation of localities and major vulnerable groups, as well as empowerment of persons with disabilities in planning for risk management and resilience. It calls for a multi-stakeholder approach and stronger and more coherent mechanisms to build resilience. It is critical that those recommendations be implemented.

71. Persistent challenges associated with disaster reduction management, as identified by the inter-agency secretariat of the International Strategy for Disaster Reduction, include limited financial and human resources; weak capacity at the local level, which undermines the implantation of land use plans and building codes; poor coordination between stakeholders and a lack of information-sharing on risk assessment, monitoring and evaluation, early warning, disaster response and other disaster risk management activities; and insufficient policy coordination on integrating climate change risks into disaster risk management strategies.

O. Domestic resource mobilization

72. The rate of domestic savings in least developed countries declined slightly from 21.4 per cent in 2012 to 19.9 per cent in 2013. That development largely mirrored declining domestic savings rates in the largest mineral- and oil-producing least developed countries, in particular Angola and Equatorial Guinea. Government savings, the main driver of domestic savings in those countries, were negatively affected by declining commodity prices, which translated into reduced income from production sharing agreements and weaker royalties and corporate income tax on oil and mining companies. The ratio of government revenue to GDP excluding grants increased, with half the least developed countries collecting at least 15 per cent of GDP as revenues in 2012 compared with 11 per cent in 2001.

73. Although domestic resource mobilization has improved, the current level stands far below the potential of the least developed countries. A good illustration of the room for manoeuvre that many least developed countries have in improving their tax collection is the level of their tax-to-GDP-potential, which captures a country's ability to raise taxes given its specific economic, social and institutional features. The difference between tax-to-GDP potential and actual tax-to-GDP stands at 7.5 percentage points in Bangladesh, 6.7 percentage points in Bhutan and 6.2 percentage points in Afghanistan.

74. Mobilizing additional domestic resources required to build productive capacity in least developed countries demands ongoing efforts towards improving tax administrations and systems in those countries. That entails introducing taxpayer services, modernizing information technology systems and strengthening the capacity of tax officers. Those institutional reforms should be complemented by efforts to expand the tax base, including through the rationalization of exemptions, tax holidays and transfer pricing practices and the simplification of tax systems and enhancement of compliance.

P. Official development assistance

75. After increasing in 2013, thanks to one-off debt relief for Myanmar, bilateral official development assistance (ODA) flows to the least developed countries

dropped sharply in 2014, reaching \$37.6 billion in real terms in a 15 per cent decline from 2013. Even excluding the debt relief for Myanmar, ODA flows to least developed countries in 2014 were still below the level reached in 2008, prior to the global and economic crisis.⁹

76. The growth in ODA flows in 2013 to the least developed countries reflected increased flows from Japan (86 per cent), the United Kingdom of Great Britain and Northern Ireland (33 per cent) and France (30 per cent), who are among the four largest Organization for Economic Cooperation and Development (OECD)/Development Assistance Committee donors. The number of countries that fulfil the lower bound of the United Nations target performance in channelling at least 0.15 per cent of gross national income to the least developed countries also improved, with Belgium, Denmark, Finland, Ireland, Luxemburg, the Netherlands, Norway, Sweden and the United Kingdom meeting the target in 2013, as opposed to seven countries in 2012.

77. Progress in the quality of aid consisted of multilateral aid, particularly from the World Bank, being increasingly targeted at building productive capacity, strengthening public financial management systems of recipients and ensuring that donors use those systems. Commitments on delivering untied aid, however, have yet to be fulfilled, with 13 per cent of ODA channelled to least developed countries in 2013 still subject to requirements regarding suppliers in donor countries. Further, challenges related to fragmentation and predictability of ODA to the least developed countries also persisted.

78. Looking forward, there are indications that the declining aid trends are likely to be reversed in coming years. A survey of donor countries' spending plans through 2018 suggests that country-programmable aid is likely to increase from 2015. That highlights the importance of stronger commitments by the global community to additional, enhanced, preferential, concessional and targeted aid to countries most in need, particularly the least developed countries.

Q. Debt

79. Having declined for several years, the debt burden of many least developed countries rose again in 2013, although marginally, as a by-product of moderate post-crisis growth, the accumulation of new debt and the near-completion of the enhanced Heavily Indebted Poor Countries Debt Initiative and the Multilateral Debt Relief Initiative. External debt stock as a percentage of gross national income increased from 26 per cent in 2012 to 27 per cent in 2013.

80. As at January 2015, 35 of the 39 countries eligible under the Heavily Indebted Poor Countries Debt Initiative, including 29 least developed countries, had already attained the completion point, when full debt relief is provided. Three least developed countries, Eritrea, Somalia and the Sudan, had yet to start the process of qualifying for debt relief, whereas Chad had reached only the decision point, during which interim debt relief is granted.

⁹ Country and sectoral breakdowns of ODA extended to least developed countries in 2014 are not yet available.

81. While the Heavily Indebted Poor Countries Debt Initiative and the Multilateral Debt Relief Initiative contributed to a large extent to the reduction in the debt burden of many least developed countries, those initiatives have not holistically addressed debt challenges facing that group of countries. Not all least developed countries are eligible for debt relief under the initiatives, while some of those that are face a real prospect of debt distress. Of the 14 countries that were at a high risk of debt distress as at January 2015, 12 are least developed countries and countries that recently graduated from the least developed country category. Of those 12 countries, 7 had already received debt relief through the enhanced Heavily Indebted Poor Countries Debt Initiative and the Multilateral Debt Relief Initiative.

82. Looking forward, the debt obligations of many least developed countries are likely to rise, with the countries increasingly reverting to non-concessional lending to finance infrastructure development. Those challenges, in addition to those which are inherent in previous debt relief initiatives, make the need for global sovereign restructuring mechanisms all the more important.

R. Foreign direct investment

83. The least developed countries continued to attract increasing FDI, with flows in 2013 of nearly \$28 billion, a 14 per cent increase from 2012. Although increasing, the share of least developed countries in global FDI was still marginal, at only 2 per cent.

84. FDI flows to the least developed countries in 2013 saw the share of extractive industries decline while services and manufacturing rose. Furthermore, the share of developing countries as a source of FDI flows to the least developed countries is rising, as transnational corporations from those countries often acquire assets sold by transnational corporations in developed economies and therefore increasingly account for a significant share of announced greenfield projects.

85. Those recent developments need to be consolidated and expanded to least developed countries and particularly directed towards creating opportunities for value addition in natural resource sectors and developing productive capacities in agriculture, manufacturing and services, and integrating those sectors into the global production, value chains and distribution networks. That can be achieved through extending risk assurance and guarantee schemes as well as tax incentives to firms seeking to invest in the least developed countries in the context of investment promotion regimes, establishing technical support mechanisms to assist least developed countries in negotiating complex large-scale contracts, improving access to advisory support in investment-related dispute resolution and supporting least developed countries in establishing FDI-friendly regulatory and legal frameworks.

S. Remittances

86. Migrant remittance inflows to the least developed countries grew to \$33.4 billion in 2013, a 3 per cent increase from 2012, compared with the double-digit annual growth rates sustained since 2011. Some of the reason for the deceleration of growth is the reduction in total flows remitted to Bangladesh, the largest recipient in the least developed countries, which declined by 2.7 per cent to \$13.9 billion in 2013, driven in part by the reduction of its stock of migrants abroad.

However, the decline was offset by rising flows in other major remittance-recipients such as Nepal (15.8 per cent) and Haiti (10.5 per cent).

87. The cost of remitting continues to be a challenge. In some of the corridors, particularly those from remittance-sending countries to African least developed countries, costs of remitting continue to be exorbitant, partly because of limited competition among service providers. The introduction of money transfer services has somewhat reduced the costs of remitting but is yet to be generalized in many countries. Such services also present challenges that relate, *inter alia*, to safety and reliability safeguards and limited literacy required for their use.

88. In general, remittances are increasingly a major source of development finance for many least developed countries, and are sometimes larger than FDI and ODA. The flows are the most stable component of receipts in the current account, acting as an important source of foreign exchange and a major cushioning parameter against potential balance-of-payment difficulties.

89. Scaling up the development impact of remittances requires sustaining the recent growth of those flows, including through reducing the cost of remitting; ensuring that a significant part of flows are channelled towards building productive capacities, including through financial literacy and targeted policy initiatives; and improving conditions under which workers migrate to and work in host countries.

T. Governance at all levels

90. Commitments to good governance, both political and economic, continued to be strong in the least developed countries. Despite a few temporary setbacks the majority of the group adhered to global governance standards and made important strides towards implementing those standards. One aspect of the above is the periodic holding of multipartite elections to select rulers. Eleven are planned in 2015.

91. Many least developed countries are also parties to the United Nations Convention against Corruption, signalling commitments to prevent corruption, criminalize certain conduct, strengthen international law enforcement and judicial cooperation and offer effective legal mechanisms for asset recovery, among others. As at April 2015, 30 least developed countries had ratified the convention and 11 others had accepted it. An increasing number of least developed countries have also subscribed to the principle of governments disclosing how much they receive and extractive companies making public how much they pay, which is the guiding rule underpinning the Extractive Industries Transparency Initiative. As at April 2015, 13 of the 32 Initiative-compliant countries were least developed countries. A year ago, 10 least developed countries were compliant. In addition, of the 13 candidate countries for the Initiative, 5 are least developed countries.

92. Many least developed countries have now established processes through which the voices of parliaments, private sector and civil society are heard in the context of formulation, implementation and monitoring of national development policies and plans. Progress also continued with regard to the political representation of women, in particular in parliaments, although much remains to be done to ensure gender parity in the executive branches. Many least developed countries have initiated reforms in public financial management and procurement systems.

93. Following the economic and financial crisis, the global economic, financial and monetary governance systems underwent significant transformation, with greater voice and representation for emerging countries and other middle-income countries in particular. Least developed countries, however, are still largely underrepresented. None of the 48 least developed countries are represented in the Basel Committee on Banking Supervision or in the Financial Stability Board of the Group of 20. As a result, their concerns and priorities remain largely silent in those forums. Furthermore, global standards set by those governing bodies are not always relevant to the least developed countries or within their near-term capacity to implement.

94. The proposed 2010 reforms of the International Monetary Fund (IMF) Executive Board and countries' quotas, even when they have entered into force, will not completely address the persistent erosion of the quota shares of least developed countries and will also not increase their voice and participation to a level that is commensurate to their demographic size and degree of engagement of IMF in the least developed countries.

IV. Engagement of stakeholders in the implementation of the Istanbul Programme of Action

A. Efforts by Member States to implement the Istanbul Programme of Action

95. Four years after the adoption of the Istanbul Programme of Action, implementation of the Programme is under way in most least developed countries. Initially, least developed countries aligned their national development strategies and plans with the Programme and then moved towards implementation, follow-up and monitoring of the Programme.

96. Progress made at the country level is discussed in an annual workshop for the national focal points of the least developed countries, organized by the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. The national focal points meeting held in July 2014 provided an opportunity for least developed countries to present the progress made and challenges encountered in the implementation of the Istanbul Programme of Action. A large number of the least developed countries reported progress but also highlighted remaining challenges, and some elaborated on plans to graduate from the least developed country category.

97. In line with the principles agreed in Istanbul, the Lao People's Democratic Republic mainstreamed the objectives and priorities into its Seventh Five-year National Socioeconomic Development Plan (2011-2015) and is implementing it through annual national socioeconomic plans. Progress has been achieved in several areas, and, with regard to productive capacity, the Government has put emphasis on transport and rural electrification and the country is moving from landlocked to "land-linked", with 82 per cent of households having access to electricity. Similarly, following the direction of the Istanbul Programme of Action, the national growth and poverty reduction strategy of Mali aims at promoting economic growth and poverty eradication. To achieve increased production, Mali has emphasized the importance of infrastructure development, access to energy, agricultural development and improved access to industrial zones.

98. Lesotho is also addressing the priorities of the Istanbul Programme of Action through the implementation of its National Strategic Development Plan. The plan, which focuses on building productive capacity, aims to reap the benefits of sustained broad economic growth in the form of jobs, enhanced skills, improved health and poverty eradication. Zambia has implemented the Istanbul Programme of Action through its national development plan, which is its medium-term instrument to achieve its national vision of becoming a prosperous middle-income country by 2030. Zambia has also, and for the first time, developed a planning and budgeting policy, which guides further coordination between national development planning and budgeting processes.

99. The least developed countries have also encountered challenges in the implementation of the Istanbul Programme of Action, including unstable or deteriorating political and security situations and increased volatility in external assistance. Several least developed countries report the lack of access to energy as a major challenge for building productive capacities, including the Comoros, Madagascar and Mali. However, a number of least developed countries report new and ongoing projects addressing the energy access challenges and tapping into sources of renewable energy. For example, the Democratic Republic of the Congo has articulated a number of ongoing hydropower project initiatives and is considering solar and wind alternatives for energy production.

100. It is of concern that least developed countries have received lower flows out of an expanding volume of ODA. That has come in the wake of significant fluctuations of ODA flows to least developed countries in recent years. However, bucking the downward trend, several bilateral donors have kept a clear and explicit focus on least developed countries. A number of bilateral donors have a high share of least developed countries in their priority country lists, including Finland, France, Switzerland and the United Kingdom.

B. Progress on graduation

101. Significant progress has been achieved with respect to graduation from the least developed country category. In its 2015 review, the Committee for Development Policy recommended Angola for graduation. Kiribati also met the graduation criteria for the second time but was not recommended owing to uncertainties related to its extremely high economic vulnerability. Furthermore, Bhutan, Nepal, Sao Tome and Principe, Solomon Islands and Timor-Leste met the graduation criteria for the first time (see E/2015/33).

102. In addition, an encouraging number of least developed countries have announced their ambition to graduate from the least developed country category. Several countries began work towards graduation by developing graduation strategies with the support of their development partners. Bhutan, the Lao People's Democratic Republic and Nepal included clear timelines for graduation in their national development plans. The challenges and vulnerabilities imposed on some least developed countries, especially those that are also small island developing States, have an impact on their graduation plans. For example, Vanuatu began work towards graduation and established a committee on graduation and smooth transition. Nevertheless, Vanuatu has emphasized that the transition period is temporary and does not provide remedy to permanent challenges faced by a country prone to

earthquakes, tsunamis and cyclones, as was demonstrated in March 2015, when a cyclone hit the Pacific island State and caused severe and widespread damage.

103. The Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States led a joint United Nations mission with the United Nations Development Programme (UNDP), the Department of Economic and Social Affairs of the Secretariat, the United Nations Conference on Trade and Development (UNCTAD) and the Economic and Social Commission for Asia and the Pacific (ESCAP) to Myanmar in December 2014. The mission worked with the Government on preparing a graduation strategy through a coordinated United Nations approach. Myanmar has so far established a high-level committee on graduation headed by the Vice-President and specific subcommittees for each of the graduation criteria, and is also currently preparing a national comprehensive development plan aimed at aligning national priorities with the sectors that are key drivers for graduation. Finally, the Office of the High Representative and UNDP organized a ministerial meeting of the Asia-Pacific least developed countries on graduation and the post-2015 development agenda, held in Kathmandu from 16 to 18 December 2014.

C. Support by the United Nations system and regional and international organizations for least developed country priorities

104. The Office of the High Representative continued its work to raise international awareness and place the special development challenges of the least developed countries high on the global development cooperation agenda, including with the support of the Department of Public Information of the Secretariat. The Office of the High Representative focused its advocacy on reflecting those countries' needs and priorities in the formulation of the post-2015 development agenda and sustainable development goals. The Office of the High Representative organized several events dedicated to fostering partnerships between the least developed countries and development partners, especially the Group of Friends of Least Developed Countries, including three ministerial meetings, a consultative meeting and a large number of briefings and discussions among the least developed countries on financing for development and the post-2015 development agenda.

105. The analytical work of the Office of the High Representative on issues specific to least developed countries undergirded its second flagship report entitled "State of the Least Developed Countries, 2014" published in October 2014.¹⁰ The report focused on extreme poverty eradication in the least developed countries and the post-2015 development agenda.

106. United Nations regional commissions continued to pay special attention in their programming to the needs of least developed Member States. The Economic Commission for Africa (ECA) provided support for many African development initiatives such as infrastructure networks, including cross-border transportation, energy access, efficiency and clean technology and trade, financing and investment negotiations. ECA also provided technical assistance specific to least developed countries on graduation and smooth transition. The Office of the Special Adviser on

¹⁰ Available from <http://unohrrls.org/custom-content/uploads/2014/10/State-of-the-Least-Developed-Countries-Report-2014.pdf>.

Africa has coordinated United Nations system and international support for the implementation of the New Partnership for Africa's Development, strengthening the endeavours of African least developed countries towards inclusive economic growth and sustainable development.

107. ESCAP provided assistance specifically directed to several Asia-Pacific least developed countries that had indicated their ambition to graduate from the least developed countries category by or around 2020, including through a regional meeting on financing graduation gaps in Dhaka in October 2014, in collaboration with the Government of Bangladesh. The Economic Commission for Latin America and the Caribbean supported Haiti through a project on social protection and conditional cash transfers. In the Sudan and in Yemen, the Economic and Social Commission for Western Asia provided advisory services and capacity-building in the areas of human and social development, good governance, women's empowerment, climate change and environmental sustainability, and productive capacity focusing on energy and information and communications technology (ICT).

108. UNCTAD continued to assist least developed countries with trade, trade facilitation, investment and market access through its dedicated research and policy analysis, technical assistance and intergovernmental consensus-building activities. UNCTAD also started developing quantifiable indicators with a view to measuring and benchmarking economy-wide productive capacities in least developed countries. The UNCTAD report entitled *The Least Developed Countries Report 2014* examined linkages between structural transformation, economic growth and human development.¹¹

109. The WTO secretariat provided support to least developed countries by way of technical assistance and capacity-building activities, including through the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries and the Standards and Trade Development Facility. In December 2014, the Enhanced Integrated Framework Steering Committee extended the programme into a second phase, set to start in 2016. The first phase results included increased private sector development and employment in some of the poorest beneficiary countries. Contributions to the Least Developed Countries Fund totalled \$201.4 million in 2014. Annual contributions dropped slightly from \$12.61 million in 2013 to \$10.45 million in 2014. In 2014, relevant WTO committees started to implement the least developed countries decisions adopted at the Ninth Ministerial Conference of the World Trade Organization, held in Bali, Indonesia, from 3 to 7 December 2013, on duty-free and quota-free market access, preferential rules of origin, the least developed countries services waiver and the development aspects of cotton.

110. The International Trade Centre continued to provide technical cooperation to least developed countries in export promotion and trade development through country-specific projects or multi-country and regional projects. In 2014, the Centre launched a project for strengthening the exporting capacities of Asian least developed countries to the Chinese market. Advisory services were delivered to private sector and Governments of least developed countries in the early stages of accession to WTO to raise awareness and build business support.

¹¹ United Nations publication, Sales No. E.14.H.D.7.

111. Based on its mandate to promote and accelerate inclusive and sustainable industrial development in developing countries and economies in transition, the United Nations Industrial Development Organization (UNIDO) supported the implementation of the Istanbul Programme of Action through the development of partnership country programmes in least developed countries, building trade and industrial capacity, policy support and statistics, income generating activities and the empowerment of communities, infrastructure development and renewable energy and the environment.

112. IMF continued to work with low-income countries, many of which are least developed countries, to help mitigate the impacts of the global financial crisis and to increase their resilience to future shocks by assisting them in rebuilding their policy buffers. It accomplished that through the reform of its own lending instruments and policies as well as the provision of technical assistance. The temporary interest relief through a zero interest rate policy on all outstanding concessional borrowing was extended from the end of 2014 to the end of 2016.

113. The overarching goal of the Istanbul Programme of Action coincides in substance with the two goals set by the World Bank Group in its new strategy adopted in 2014: lowering extreme poverty to 3 per cent by 2030 and promoting shared prosperity by fostering the income growth of the bottom 40 per cent in every country. In 2014, International Development Association commitments rose to a record \$22.2 billion from \$16.3 billion in the previous fiscal year.

114. The United Nations Capital Development Fund's—overall approach to supporting least developed countries is framed by the Istanbul Programme of Action. The Capital Development Fund continued its work on two primary interconnected areas, financial inclusion and local development finance, as a way to promote inclusive growth in least developed countries and the mobilization of both private and public domestic resources, while using ODA as a key driver to leverage domestic savings and capital.

115. The International Telecommunication Union continued to implement actions to help least developed countries bridge their digital gap and leverage the power of ICT and broadband as a fundamental driver for development.

116. The United Nations Children's Fund (UNICEF) continued to provide focused attention and support to least developed countries on issues such as child mortality, malnutrition and stunting, humanitarian assistance and long-term development for vulnerable children. UNICEF also provided technical assistance on the expansion and strengthening of the monitoring process for improving service delivery to least developed countries. The United Nations Population Fund (UNFPA) worked on areas of maternal health and family planning through strengthening the national capacity of least developed countries to incorporate population issues in relevant national public policies, plans and expenditure frameworks. It also assisted least developed countries in reducing maternal mortality and in accessing affordable, life-saving family planning options. UNFPA was also heavily involved in the Ebola-affected least developed countries, assisting with contact-tracing activities and maintaining and restoring maternal health services.

117. The Joint United Nations Programme on HIV/AIDS (UNAIDS) delivers on 15 thematic areas, including, inter alia, prevention of sexual transmission of HIV; HIV treatment; prevention among people who inject drugs; punitive laws, stigma

and discrimination; HIV and education; and HIV-related social protection. The interventions of UNAIDS under the global plan for the elimination of new HIV infections among children and keeping their mothers alive led to a prevention rate of mother-to-child infection of 69 per cent in least developed countries in 2013 compared with 32 per cent in 2010, a remarkable sign of progress in curbing the epidemic in those countries.

118. The United Nations Environment Programme provided support to the least developed countries through building capacity and technology support services on several thematic areas of their programme of work, including climate change, disasters and conflict, environmental governance, resource efficiency and sustainable consumption and production.

119. UNDP assisted least developed countries in good governance, trade capacity and strategies, agriculture food security and rural development while also providing support on graduation and smooth transition through trade-related technical assistance, resource mobilization assistance and supporting development capacity actions. Furthermore, UNDP assisted least developed countries in the formulation and implementation of green, low-emission, climate-resilient strategies that allow more effective responses to emerging opportunities in the climate change finance landscape.

120. The main activities of the United Nations Educational, Scientific and Cultural Organization in least developed countries included promoting quality education, training and skills development, promoting gender equality and the empowerment of women and building productive capacities in energy and ICT, as well as in science, technology and innovation.

121. The United Nations Office on Drugs and Crime assisted least developed countries in fighting against corruption, transnational crime, illicit trafficking and the smuggling of immigrants and supported those countries with regard to criminal justice. It continued providing technical assistance and substantive secretariat services to advance the implementation of the United Nations Convention against Corruption.

D. Efforts by other stakeholders to implement the Istanbul Programme of Action

122. On South-South cooperation, a number of least developed countries have strengthened cooperation with Southern countries. Eritrea, for example, has implemented several development projects with China and other Southern partners. Mauritania has benefitted from the opening of foreign banks, originating from Southern countries, supporting the development of private sector activities.

123. South-South and triangular cooperation was discussed at the ministerial meeting on new partnerships for productive capacity-building in least developed countries, held in Cotonou, Benin, from 28 to 31 July 2014, where the South-South Technology Transfer Facility for least developed countries was launched. The joint initiative between the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and the United Nations Office for South-South Cooperation aims to use the South-South Global Assets and Technology Exchange's global technology transfer

platform to bring targeted support to least developed countries and is designed to enable South-South transfer of viable, sector-specific technologies for developing and strengthening capacities and production in least developed countries. One of the first activities under that facility, hosted in Benin with UNDP support, was a memorandum of understanding signed between representatives of the Songhai Centre in Benin and Bio-green Investments East Africa in Uganda, representing a potential investment of over \$10 million.

124. Academia has remained very active in implementing the Istanbul Programme of Action. LDC IV Monitor, a group of think tanks and academic institutions from least developed countries and partner countries, launched a new publication entitled *Istanbul Programme of Action for the Least Developed Countries (2011-2020): Monitoring Deliverables, Tracking Progress — Synthesis Report* in October 2014.¹²

125. Furthermore, the high-level panel on the feasibility of a technology bank for least developed countries comprises mainly renowned academics from least developed countries and their development partner countries. The high-level panel met for the first time in February 2015 in Turkey to provide its guidance on a feasibility study on the establishment of the technology bank.

126. Civil society, and especially LDC Watch, has advocated for the implementation of the Istanbul Programme of Action on various fronts, including discussions on the post-2015 development agenda and financing for development. With the support of the International Institute for Environment and Development, a high-level least developed countries independent expert group on the post-2015 development agenda, chaired by the former Prime Minister of Haiti, Michèle Duvivier Pierre-Louis, has been convened to provide ideas and challenges that support a more ambitious, effective and fair global set of new goals for environmental sustainability and human development. The ONE campaign contributed to events that supported the efforts by least developed countries to frame their positions in the context of the post-2015 development agenda and financing for development.

127. The Office of the High Representative also actively engaged with private sector partners through the Sustainable Energy for All Advisory Board and the Broadband Commission for Digital Development. Access to sustainable energy and broadband connectivity constrain development across sectors. Those two essential ingredients to building productive capacity also require significant investment from and involvement by the private sector. By taking an active role in the Advisory Board and the Broadband Commission, the Office of the High Representative has advocated for the special challenges faced by the least developed countries.

128. The private sector was closely involved in the ministerial meeting on new partnerships for productive capacity-building in least developed countries, held in Cotonou, Benin, as well as in the ministerial meeting of the Asia-Pacific least developed countries on graduation and the post-2015 development agenda, held in Kathmandu from 16 to 18 December 2014. Through the platform of South-South Global Assets and Technology Exchange, a delegation of 115 private sector entities attended and contributed to deliberations at the ministerial meeting. The role of the private sector is also highlighted in the Cotonou Agenda for productive capacity-building in the least developed countries, which notes that a dynamic, broad-based, well-functioning and socially responsible private sector is a valuable instrument for

¹² Available from oecd.org/dev/LDC4_Synthesis_Report.pdf.

increasing investment and trade, employment and innovation, thereby generating economic growth and eradicating poverty and serving as an engine for industrialization and structural transformation.

E. Preparatory process for the comprehensive high-level midterm review of the Istanbul Programme of Action

129. In its resolution 69/231, the General Assembly decided to convene a comprehensive high-level midterm review of the implementation of the Istanbul Programme of Action in June 2016, in Antalya, Turkey, for a period of three days. Participation will be at the highest possible political level and be open to all stakeholders of the Istanbul Programme of Action. The General Assembly entrusted the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States with the mandate to ensure effective and efficient, broad-based preparations for the event.

130. The comprehensive high-level midterm review to be held in 2016 will assess progress made and constraints encountered in the implementation of the Istanbul Programme of Action by the least developed countries and their development partners and serve to reaffirm the global commitment and partnership for the development of least developed countries in order to ensure its timely and effective implementation during the remainder of the decade, while taking into account the post-2015 development agenda.

131. The intergovernmental process will entail preparations at national, regional and global levels. National reports of the least developed countries, undertaken in a broad-based and inclusive manner with the support of United Nations country teams, and two regional reviews are expected to shed light on key accomplishments and critical constraints in delivering the goals of the programme, with special emphasis on progress in building productive capacities and towards meeting the graduation criteria.

132. In collaboration with the Government of Cambodia, ESCAP organized the High-level Policy Dialogue on the Implementation of the Istanbul Programme of Action for the Least Developed Countries, held in Siem Reap, Cambodia, in March 2015, during which policymakers, experts and development partners discussed progress in and challenges to the implementation of the Istanbul Programme of Action in the region. The meeting underscored that graduating from the least developed country category was not simply about "checking the boxes" of the graduation criteria, but about promoting sustainable and inclusive growth to improve the livelihoods of the 300 million people living in the Asia-Pacific least developed countries. The participants called on all stakeholders to deliver on the commitments made in Istanbul. The Siem Reap outcome document is to be considered by the seventy-first session of the ESCAP Commission at the end of May 2015 and form an input for the comprehensive high-level midterm review to be held in 2016.

133. ECA, in collaboration with the Office of the High Representative, organized the biennial review of the implementation of the Istanbul Programme of Action in Africa. The review reported that African least developed countries had made mixed progress towards achieving the goals and targets of the Programme of Action and continued to be confronted with multiple and complex development challenges, and called for further efforts from those countries and their development partners. The

review welcomed the offer of the Government of Italy to host a ministerial meeting of African least developed countries on structural transformation, graduation and the post-2015 development agenda, to be held in Milan, Italy, from 8 to 10 June 2015, and requested ECA, in collaboration with the Office of the High Representative, to convene a full-fledged expert-level regional midterm review on the implementation of the Istanbul Programme of Action prior to the ministerial meeting so as to ensure that the outcome of that expert-level regional midterm review would feed into the ministerial meeting of African least developed countries. The expert-level regional midterm review was convened in May 2015 in Algiers.

134. The Office of the High Representative has fully mobilized United Nations system involvement in the preparatory process through the existing Inter-Agency Consultative Group for Least Developed Countries. Inter-Agency Consultative Group partners undertook to prepare sectoral appraisals and organize pre-conference events in their respective fields of competence as further inputs to the comprehensive high-level midterm review to be held in 2016. Furthermore, the Secretary-General was invited to convene a United Nations system high-level event during the comprehensive high-level midterm review with a view to renewing its commitment to provide coordinated and timely support to the implementation of the Istanbul Programme of Action and the outcome of the review. In that regard, the Office of the High Representative made progress in the preparation of a toolkit for mainstreaming the Programme of Action into the work of United Nations system organizations for consideration by the Inter-Agency Consultative Group at its fall 2015 session and for endorsement at the United Nations system high-level event mentioned above.

135. All stakeholders of the Istanbul Programme of Action are invited and able to effectively participate in and contribute to the preparatory process as well as the comprehensive high-level midterm review itself. A multi-stakeholder special event is to take place under the aegis of the President of the General Assembly in early 2016 with the participation of Member States, non-governmental organizations, civil society, the private sector and academic institutions to provide input to the comprehensive high-level midterm review. In recognition of the key importance of strong private sector involvement in the development of least developed countries, a private sector forum on investment opportunities in least developed countries will also be organized during the comprehensive high-level midterm review.

V. Conclusions and recommendations

136. The implementation of the Istanbul Programme of Action, now in its fourth year, has seen continued progress by the least developed countries towards meeting the Programme's goals and targets. Nonetheless, poverty is still widespread in many least developed countries, with 46 per cent of their population living in extreme poverty.¹³ Though they have made substantial gains, many least developed countries are not likely to reach the Millennium Development Goals or the targets included in the Programme of Action in a timely manner. Increased efforts and concrete actions in the eight priority areas of the Programme need to be taken by both the least developed countries and their development partners in order to achieve the goals and targets agreed in Istanbul, Turkey, by the end of the decade.

¹³ The figure is based on the latest data available for each country.

137. Yet, there are important areas of progress that give hope to realizing key objectives of the Istanbul Programme of Action, including the reduction of poverty and hunger, rebounding growth, fledgling structural transformation and a number of countries graduating or in the process of graduation. Equally important is that an increasing number of least developed countries have declared intent to graduate, showing their commitment to the overarching objective of the Istanbul Programme of Action. New initiatives such as the technology bank and an investment promotion regime for least developed countries signify continued support by the international community in favour of least developed countries. Those developments augur well for a strengthened partnership for least developed countries at the comprehensive high-level midterm review of the Istanbul Programme of Action to be held in Antalya, Turkey, in June 2016, as called for in General Assembly resolution 69/231.

138. Looking towards the comprehensive high-level midterm review of the Istanbul Programme of Action, actions in some key areas would help put least developed countries on a path of stronger growth and sustainable development. For example, progress in building productive capacity in the least developed countries is critical to achieving the other seven priorities of the Istanbul Programme of Action. Overall growth in the least developed countries slowed somewhat but is expected to increase in the coming years with stronger delivery on commitments by least developed countries and their development partners. The structural transformation of the least developed countries, however, was fledgling and insufficient, and investment rates, which are low but improving, need to be further accelerated and sustained over a long period of time.

139. Progress was made in infrastructure areas such as improving access of the population in least developed countries to mobile/cellular telephone services, improving road networks and conditions, increasing the volume of air transport and enhancing shipping connectivity. Enrolment in primary and secondary education also increased, while child and maternal mortality continued to decrease. Further national and global efforts are needed to sustain and accelerate the pace of those improvements.

140. Government revenues in the least developed countries have been rising slowly in proportion to GDP, but remain far behind levels in other developing countries. The capacity of the least developed countries to efficiently collect taxes, broaden their tax bases, reduce the flow of illicit capital and administer customs needs to be strengthened through financial and technical support. Those efforts could also contribute to the continuing success of several least developed countries that are among the leading countries in easing obstacles to business creation and operation.

141. Challenges to the progress of least developed countries remain, with some new and increasing risks and uncertainties threatening their development gains. External shocks such as natural disasters, the slow onset of disasters caused by climate change and the spread of infectious diseases can wreak havoc on vulnerable economies and contribute to destabilizing their social, political and security situations. The Ebola crisis has highlighted the importance of ensuring health security in least developed countries. The recent sharp drop in ODA to the least developed countries is a cause for concern, and while its level is expected to stabilize by 2017, there is a trend of stagnation in assistance to heavily aid-dependent countries. However, several Development Assistance Committee members also increased their ODA to least developed countries in spite of national economic constraints. The least developed

countries should be given more priority in the allocation of aid and other resources with enhanced quality and concessionality, as set out in the commitments agreed on in the Istanbul Programme of Action.

142. The least developed countries and their development partners have undertaken several new initiatives in infrastructure, energy, private sector development, youth employment and resilience to shocks. Those are critical elements to strengthen productive capacity and reduce vulnerability, and need to be expanded and scaled up across the least developed countries. Capacity-building for collecting and processing timely and accurate data is crucial in that respect as well as in strengthening mutual and national accountability. It is especially critical in areas where the Istanbul Programme of Action overlaps with the sustainable development goals, for which the least developed countries will need enhanced statistical capacity to monitor progress.

143. The least developed countries continued to increase their volume of exports, though trade deficits grew as well and the share of least developed countries in world trade remains marginal. Improving productive capacity is key to diversifying exports towards non-primary goods and high value-added services. Developing countries have played an increasingly important role as destinations for exports from the least developed countries. More progress is needed in granting duty-free and quota-free market access to the least developed countries. While average tariffs on exports from least developed countries declined significantly, their margin of preference compared to other developing countries has shrunk, especially for manufactured goods exports. Further assistance is also needed to reduce trade costs by strengthening inland transportation infrastructure in order to increase the competitiveness of exports and reduce the cost of imports in the least developed countries. Furthermore, the services waiver for least developed countries needs to be implemented expeditiously.

144. The Ebola crisis, which mainly affected three West African least developed countries, as well as the devastation cyclone Pam caused in least developed countries in the Pacific, brought attention to the still very high vulnerabilities of least developed countries. In that context, the Sendai Framework for Disaster Risk Reduction 2015-2030 needs to be implemented with a special focus on least developed countries. The Framework calls for enhancing the capacity of least developed countries and the provision of support, including through finance, technology transfer and capacity-building from developed countries and partners tailored to their needs and priorities, as identified by them.

145. The high vulnerability of least developed countries to climate change also needs to be addressed in that context. There is urgent need to initiate and consolidate targeted measures to enhance financial support for adaptation and mitigation in least developed countries, which should be additional to ODA and compensate for the additional costs and loss of income least developed countries face owing to climate change or mitigation measures in other countries. Furthermore, an enhanced level of capacity-building and technological support will play an important role in building resilience in least developed countries.

146. In addition to important aspects of the implementation of the Istanbul Programme of Action has been the remarkable 14 per cent increase in FDI inflows to the least developed countries between 2012 and 2013. While the flows were still marginal as a proportion of global FDI, the composition of investment flows has been increasingly oriented towards manufacturing and services rather than

extractive industries. Furthermore, the share of developing countries as the source of investment flows to the least developed countries is increasing. Those trends need to be strengthened, scaled up and directed to where they could contribute most to developing productive capacity and integrating the least developed countries into global production and value-chains and distribution networks. Supporting measures would include development partners extending risk assurance, guarantee schemes and tax incentives to firms investing in the least developed countries, as well as establishing an international investment support mechanism to assist the least developed countries in negotiating contracts, resolving investment-related disputes and establishing FDI-friendly regulatory and legal frameworks in a comprehensive manner with targeted initiatives.

147. The high-level panel on the technology bank met in early 2015 and is preparing a feasibility study for the establishment of a technology bank and a science, technology and innovation supporting mechanism dedicated to the least developed countries. It is crucial that that institution be operationalized as soon as possible, since it is critical to the implementation of the Istanbul Programme of Action, especially given its potential to increase productive capacity, structural transformation, poverty reduction and sustainable development.

148. South-South and triangular cooperation was also strengthened through a ministerial meeting held in Cotonou, Benin, in 2014. Many least developed countries also increased their cooperation with Southern countries. Those relationships need to be deepened and scaled up, using a more institutionalized approach to collaboration. Specifically, deploying financing from all sources, including innovative sources, would have a positive impact on the implementation of the Istanbul Programme of Action.

149. The Istanbul Programme of Action should be fully taken into account in setting up the post-2015 development agenda and sustainable development goals, as it has clearly prioritized the three pillars of sustainable development and poverty eradication in least developed countries. Furthermore, as it is based on mutual accountability as well as on a holistic and transformative approach to development, increased coherence could contribute greatly to putting least developed countries on the path towards inclusive and sustainable development. Means of implementation are key to attaining all of the development goals and a multi-stakeholder approach would be critical. Least developed countries should be given due priority in the allocation of ODA in view of their larger dependence, but trade, investment, debt and technology- and capacity-building should also be directed towards those countries to get them out of persistent poverty and alleviate structural constraints.

150. In view of the multiple and persistent vulnerabilities of least developed countries, their views, concerns and expectations should be duly reflected in all the global processes, including financing for sustainable development, the post-2015 development agenda, the United Nations Framework Convention on Climate Change and the Tenth Ministerial Conference of the World Trade Organization, to be held in Nairobi in December 2015, among others. At the bottom of the development ladder and holding great potential, least developed countries deserve special priority in all the global development programmes.

151. Continued efforts by the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States to support and advocate for the least developed countries are

essential for raising international awareness and reflecting the needs and priorities of the least developed countries in the post-2015 development agenda and sustainable development goals. With financial support from several development partners, the Office of the High Representative organized several ministerial and consultative meetings, as well as many briefings and discussions among the least developed countries themselves on financing for development and the post-2015 development agenda. The second flagship report of the Office of the High Representative, entitled "State of the Least Developed Countries, 2014", focused on the eradication of extreme poverty in the least developed countries and the post-2015 development agenda. Continued efforts are dedicated to organizing annual workshops for the national focal points of the least developed countries, with a special focus on preparing for the midterm review of the implementation of the Istanbul Programme of Action in 2016, and its integration with the post-2015 development agenda.

152. The United Nations system as well as several regional and international organizations strengthened their support of the least developed countries and their specific needs through the numerous activities noted above. The Office of the High Representative has also mobilized the United Nations system through the Inter-Agency Consultative Group for Least Developed Countries, whose members will prepare sectoral appraisals and organize thematic events as further inputs to the comprehensive high-level midterm review. The Office of the High Representative has also made progress in the preparation of a toolkit for mainstreaming the Istanbul Programme of Action into the work of United Nations system organizations.

153. In addition to the overall progress achieved towards graduation from the least developed country category, several countries met the graduation criteria for the first time and one was recommended for graduation. Even more encouragingly, an increasing number of least developed countries have expressed their ambition to graduate and have begun work with their development partners on developing graduation strategies, including set timelines. Further support on graduation and smooth transition is needed from the Office of the High Representative, development partners from both North and South and the United Nations system, including through technical assistance and capacity development for resource mobilization, in order to continue and accelerate the effective implementation of the Istanbul Programme of Action.

154. The comprehensive high-level midterm review of the implementation of the Istanbul Programme of Action to be held in 2016 is a unique opportunity to engage all stakeholders in a thorough assessment of progress made and lessons learned in the implementation of the Programme by the least developed countries and their development partners. It should also reaffirm the commitments to and strengthen the partnerships for implementation, including an evaluation of the way forward in the remaining five years, as well as ensure coherence between the priorities of the least developed countries and the post-2015 development agenda. National, regional and global perspectives need to feed into the review process with a clear focus on building productive capacity in a holistic manner and making progress towards poverty eradication, structural transformation and sustainable development.

Annex

Data

1. The indicators contained in the present annex were calculated by the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States using the latest information available from official, published sources, which are cited with each table. Owing to differences in methodology, the aggregates published here may differ somewhat from other published sources.
2. Aggregates are weighted as appropriate, treating all countries in the group as if they were one country, with the exception of the Liner shipping connectivity index (table 2), in which simple averages are shown. In cases where data for a particular country are unavailable for one or more of the time periods shown, data for that country have been omitted from the aggregates for that indicator.
3. Years separated by a hyphen, such as 2001-2010, indicate data based on averages in the period shown, unless otherwise indicated in the notes to the tables. Years separated by a slash, such as 2009/2010, indicate that data are shown for the most recent year available in the period.
4. A more detailed dataset with figures for individual countries is available at <http://unohrrlls.org/about-ldecs/indicators-and-statistics/>.

Table 1
Economic growth and poverty

	Annual growth rate of gross domestic product (in constant United States dollars, percentage)							Percentage of population below international poverty line
	2009	2010	2011	2012	2013	2014	2015	2001-2013
African least developed countries	4.6	5.6	3.7	2.9	5.2	4.8	5.8	51.7
Asian and Pacific least developed countries	6.8	7.0	3.4	6.5	5.9	5.6	6.0	40.0
All least developed countries	5.4	6.1	3.6	4.2	5.4	5.1	5.9	49.9

Source: United Nations Statistics Division (<http://unstats.un.org/unsd/databases.htm>); World Bank, Development Research Group (<http://research.worldbank.org/PovertyNet/index.htm>); United Nations Department of Economic and Social Affairs; International Monetary Fund.

Note: Figures for the proportion of the population below the poverty line are averages of all available observations between 2001 and 2013.

Table 2
Productive capacity

	African least developed countries		Asian and Pacific least developed countries		All least developed countries	
	2001-2010	2011-2013	2001-2010	2011-2013	2001-2010	2011-2013
<i>Value-added share of manufacturing, agriculture and services</i>						
Value-added share of manufacturing (percentage of gross domestic product)	8.4	7.5	13.7	14.0	10.3	9.6
Value-added share of agriculture (percentage of gross domestic product)	26.4	22.6	21.9	20.5	24.7	21.9
Value-added share of services (percentage of gross domestic product)	41.9	40.2	50.6	52.9	44.6	44.1
Gross capital formation (percentage of gross domestic product)	22.3	23.0	24.4	27.6	23.0	24.4
Internet and mobile cellular subscriptions	2010	2013	2010	2013	2010	2013
Internet users (per 100 people)	4.6	6.7	4.1	7.3	4.4	7.0
Mobile-cellular subscriptions (per 100 people)	31.3	50.5	37.8	66.1	33.8	56.2
Connectivity	2010	2013	2010	2013	2010	2014
Air transport, freight (million ton-km)	1.2	1.9	0.9	0.8	1.1	1.5
Air transport, passengers carried (per 1,000 people)	18.0	23.9	29.4	32.4	22.0	26.8
Liner shipping connectivity index	7.5	9.6	5.8	7.8	7.1	9.0
Energy	2000	2010	2000	2010	2000	2010
Access to electricity (percentage of population)	13.1	19.1	39.1	52.9	23.6	31.5
Urban	43.9	53.8	85.3	87.8	60.2	66.1
Rural	2.4	5.4	21.3	39.8	10.0	18.0
Share of renewable capacity in total capacity (percentage)	74.9	70.9	29.1	36.5	57.0	55.1
Change in total installed generation capacity per capita, 2000-2010		17.9		70.3		30.1
Scientific and technical journal articles	2001-2010	2011	2001-2010	2011	2001-2010	2011
Articles per 1,000,000 people	1.8	2.0	1.2	1.5	1.5	1.8

Source: World Bank national accounts data (<http://databank.worldbank.org/data/home.aspx>); United Nations Statistics Division (<http://unstats.un.org/unsd/databases.htm>); International Telecommunication Union, World Telecommunication/ICT Development Report and database, and World Bank estimates; World Development Indicators (<http://databank.worldbank.org>); United Nations Conference on Trade and Development, Review of Maritime Transport 2010; Sustainable Energy for All Global Tracking Framework (<http://www.se4all.org/tracking-progress>).

Table 3
Agriculture, food security and rural development

	African least developed countries		Asian and Pacific least developed countries		All least developed countries	
	2000-2008	2009-2013	2000-2008	2009-2013	2000-2008	2009-2013
Malnutrition prevalence (percentage of children under 5)						
Weight for age (underweight)	26.1	23.0	38.4	32.9	29.7	25.5
Height for age (stunting)	44.5	39.7	45.0	41.1	44.5	39.9

	<i>African least developed countries</i>		<i>Asian and Pacific least developed countries</i>		<i>All least developed countries</i>	
	2000-2008	2009-2013	2000-2008	2009-2013	2000-2008	2009-2013
Weight for height (wasting)	10.8	9.5	14.9	13.2	12.0	10.4
	2006-2011		2006-2011		2006-2011	
Agricultural irrigated land (percentage of total agricultural land)	0.6		15.8		3.3	
	2001-2010	2011-2013	2001-2010	2011-2013	2001-2010	2011-2013
Value-added share of agriculture, percentage difference	-0.8	-0.3	-0.3	-0.5	-0.6	-0.4

Source: World Health Organization, Global Database on Child Growth and Malnutrition (<http://www.who.int/nutgrowthdb/en>); Food and Agriculture Organization of the United Nations (<http://www.fao.org/statistics/en>); World Bank national accounts data (<http://databank.worldbank.org/data/home.aspx>).

Note: The aggregate for agricultural irrigated land (percentage of total agricultural land) reflects the median.

Table 4
Trade and commodities

	<i>Percentage of exports in world total exports</i>				<i>Exports of primary commodities, percentage of total exports</i>			
	2001	2005	2010	2013	2001	2005	2010	2013
African least developed countries	0.3395	0.5509	0.7629	0.7979	90	93	94	93
Asian and Pacific least developed countries	0.2363	0.2287	0.2943	0.3376	39	44	43	40
All least developed countries	0.5802	0.7841	1.0610	1.1402	69	78	79	77

Source: United Nations Conference on Trade and Development (<http://unctadstat.unctad.org>).

Table 5
Human development

	<i>African least developed countries</i>		<i>Asian and Pacific least developed countries</i>		<i>All least developed countries</i>	
	2010	2011-2013	2010	2011-2013	2010	2011-2013
<i>Education and training</i>						
Net enrolment in primary education (percentage)	82	83	88	92	83	84
Pupil/teacher ratio in primary education	49	45	34	33	46	43
Gross enrolment in secondary education (percentage)	32	34	51	55	40	43
Pupil/teacher ratio in secondary education	27	23	29	28	28	26
Gross enrolment in tertiary education (percentage) 2010 and 2011-2013	6	6	13	13	7	8
Population and primary health	2005	Most recent^a	2005	Most recent^a	2005	Most recent^a
Under-5 mortality rate (deaths per 1,000 live births)	129	89	75	52	114	81

	African least developed countries		Asian and Pacific least developed countries		All least developed countries	
	2010	2011-2013	2010	2011-2013	2010	2011-2013
<i>Education and training</i>						
Infant mortality rate (deaths per 1,000 live births)	80	60	56	41	73	55
Maternal mortality rate (deaths per 100,000 births)	612	494	375	269	543	433
Contraceptive prevalence (percentage of women aged 15-49)		20		47		31
HIV prevalence (percentage of population aged 15-49)	3.7	3.0	0.3	0.2	2.3	1.9
Youth development	2000-2009	2010-2012	2000-2009	2010-2012	2000-2009	2010-2012
Youth literacy (percentage of population aged 15-24)	67	70	72	84	70	77
Female literacy (percentage of female population aged 15-24)	61	65	70	85	66	76
Shelter, water and sanitation	2005	2012	2005	2012	2005	2012
Percentage of population using an improved drinking water source	51	58	72	80	59	66
Urban	78	82	83	87	80	84
Rural	42	48	69	77	52	59
Percentage of population using an improved sanitation facility	21	25	47	55	31	36
Urban	35	38	60	65	44	47
Rural	16	20	43	51	26	31
Gender equality and empowerment of women	2001	2014	2001	2014	2001	2014
Percentage of parliamentary seats held by women	10	24	7	15	9	19
	2009-2010	2011-2012	2009-2010	2011-2012	2009-2010	2011-2012
Percentage of female students in primary education	48	48	48	48	48	48
Percentage of female students in secondary education	42	44	47	48	45	46
Percentage of female students in tertiary education	37	37	36	39	36	38

Source: United Nations Educational, Scientific and Cultural Organization Institute for Statistics

(<http://www.uis.unesco.org>); Inter-agency Group for Child Mortality Estimation

(<http://www.childmortality.org>); Maternal Mortality Estimation Inter-agency Group

(<http://www.maternalmortalitydata.org>); World Development Indicators (<http://databank.worldbank.org>);

Joint United Nations Programme on HIV/AIDS estimates (<http://www.unaids.org/en/dataanalysis/datatools/aidsinfo>); World Health Organization/United Nations Children's Fund Joint Monitoring Programme for Water Supply and Sanitation (<http://www.wssinfo.org>); Inter-Parliamentary Union (www.ipu.org).

^a Most recent figures for under-5 mortality, infant mortality and HIV prevalence are dated 2013. Figures for maternal mortality are dated 2010. Contraceptive prevalence figures are an average of reported data from 2001-2012.

Table 6
Multiple crises and emerging challenges

	<i>African least developed countries</i>		<i>Asian and Pacific least developed countries</i>		<i>All least developed countries</i>	
	<i>2010</i>	<i>2011-2013</i>	<i>2010</i>	<i>2011-2013</i>	<i>2010</i>	<i>2011-2013</i>
<i>Debt</i>						
Total reserves (percentage of external debt)	47.6	54.5	66.5	68.4	55.1	60.1
Total debt service (percentage of exports of goods, services and income)	3.9	4.6	3.5	3.8	3.8	4.3
Total debt service (percentage of government expenditure) ^a	9.7	11.4	17.0	18.8	11.4	12.8
Deforestation	<i>1990</i>	<i>2012</i>	<i>1990</i>	<i>2012</i>	<i>1990</i>	<i>2012</i>
Forest area (percentage of land area)	32.9	26.2	32.3	26.9	32.8	26.3
Percentage change 1990-2012		-20		-17		-20

Source: International Monetary Fund, International Financial Statistics and data files (<http://www.imf.org/external/data.htm>); World Bank, International Debt Statistics (<http://databank.worldbank.org>).

^a The figures for total debt service during the period 2011-2013 reflect the last available data from within that period.

Table 7
Mobilizing financial resources for development and capacity-building

	<i>Gross domestic savings (percentage of gross domestic product)</i>			<i>Government revenue, excluding grants (percentage of gross domestic product)</i>		
	<i>2001-2010</i>	<i>2012</i>	<i>2013</i>	<i>2001-2010</i>	<i>2011</i>	<i>2012</i>
African least developed countries	19.4	23.0	20.6	15.6	17.3	17.2
Asian and Pacific least developed countries	17.6	19.1	19.3	11.8	14.9	16.0
All least developed countries	18.6	21.4	19.9	13.9	16.3	16.6

Source: World Bank national accounts data (<http://databank.worldbank.org>); International Monetary Fund, Government Finance Statistics Yearbook and data files (<http://www.imf.org/external/data.htm>).

Note: Aggregate figures for the Government revenue, excluding grants (percentage of gross domestic product) reflect the median.

Table 8
External debt and debt forgiveness

	External debt stock (percentage of gross national income)		Debt forgiveness or reduction, cumulative since 2003 (percentage of gross domestic product)	
	2012	2013	2012-2013	2003-2013
African least developed countries	28	30	2	-14
Asian and Pacific least developed countries	24	24	-1	-2
All least developed countries	26	28	1	-10

Source: World Bank, International Debt Statistics (<http://databank.worldbank.org>).

Table 9
Aid from Organization for Economic Cooperation and Development Assistance Committee countries to least developed countries

	Net disbursements								
	2002-2003			2012			2013		
	US dollars (millions)	Percentage of donor's total	Percentage of donor's gross national income	US dollars (millions)	Percentage of donor's total	Percentage of donor's gross national income	US dollars (millions)	Percentage of donor's total	Percentage of donor's gross national income
Australia	272	25	0.06	1 639	30	0.11	1 337	28	0.09
Austria	175	34	0.08	244	22	0.06	342	29	0.08
Belgium	737	50	0.27	704	30	0.14	813	35	0.16
Canada	564	28	0.07	1 945	34	0.11	1 849	37	0.10
Czech Republic	9	14	0.01	59	27	0.03	52	25	0.03
Denmark	636	37	0.34	1 004	37	0.31	926	32	0.27
Finland	176	34	0.12	445	34	0.18	510	35	0.19
France	2 463	39	0.15	2 533	21	0.10	3 448	30	0.12
Germany	2 025	33	0.09	3 678	28	0.11	3 368	24	0.09
Greece	57	18	0.04	50	15	0.02	45	19	0.02
Iceland	5	31	0.05	12	45	0.10	16	46	0.12
Ireland	253	56	0.22	418	52	0.24	426	50	0.23
Italy	1 169	49	0.09	701	26	0.04	958	28	0.05
Japan	2 096	23	0.05	4 640	44	0.08	7 006	60	0.14
Korea	93	29	0.02	579	36	0.05	712	41	0.05
Luxembourg	57	34	0.28	146	37	0.37	163	38	0.38
Netherlands	1 323	36	0.29	1 166	21	0.15	1 366	25	0.17
New Zealand	41	28	0.06	144	32	0.09	148	32	0.09
Norway	759	41	0.37	1 382	29	0.27	1 540	28	0.30
Poland	4	17	0.00	78	18	0.02	125	26	0.03

<i>Net disbursements</i>									
2002-2003			2012			2013			
<i>US dollars (millions)</i>	<i>Percentage of donor's total</i>	<i>Percentage of donor's gross national income</i>	<i>US dollars (millions)</i>	<i>Percentage of donor's total</i>	<i>Percentage of donor's gross national income</i>	<i>US dollars (millions)</i>	<i>Percentage of donor's total</i>	<i>Percentage of donor's gross national income</i>	
Portugal	179	56	0.14	177	30	0.09	143	29	0.07
Slovak Republic	3	24	0.01	15	19	0.02	21	24	0.02
Slovenia	0	—	—	10	17	0.02	11	18	0.02
Spain	388	21	0.05	483	24	0.04	449	19	0.03
Sweden	749	34	0.28	1 542	29	0.29	1 805	31	0.31
Switzerland	340	30	0.10	710	23	0.11	828	26	0.12
United Kingdom	1 855	33	0.11	4 615	33	0.19	6 203	35	0.24
United States	3 878	26	0.04	11 419	37	0.07	10 221	33	0.06
Total	20 303	32	0.07	40 537	32	0.09	44 830	33	0.10

Source: Organization for Economic Cooperation and Development aid statistics (<http://www.oecd.org/dac/stats/>).

Note: Includes imputed multilateral flows, i.e., making allowance for contributions through multilateral organizations, calculated using the geographical distribution of multilateral disbursements for the year of reference.